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ABSTRACT

This monograph provides information on the many aspects of teacher compensation and incentive plans, focusing on those programs that seek to attract and retain high-quality teachers in the profession. Information was synthesized from reports provided by various school districts around the nation. The monograph presents state-by-state data on teacher salaries and fringe benefits, reviews research on teacher incentive programs, analyzes the strengths and weaknesses of incentive programs, offers examples of current incentive programs, and summarizes what current trends may mean for local school boards. Monetary and nonmonetary teacher incentive programs are also discussed. (CB)

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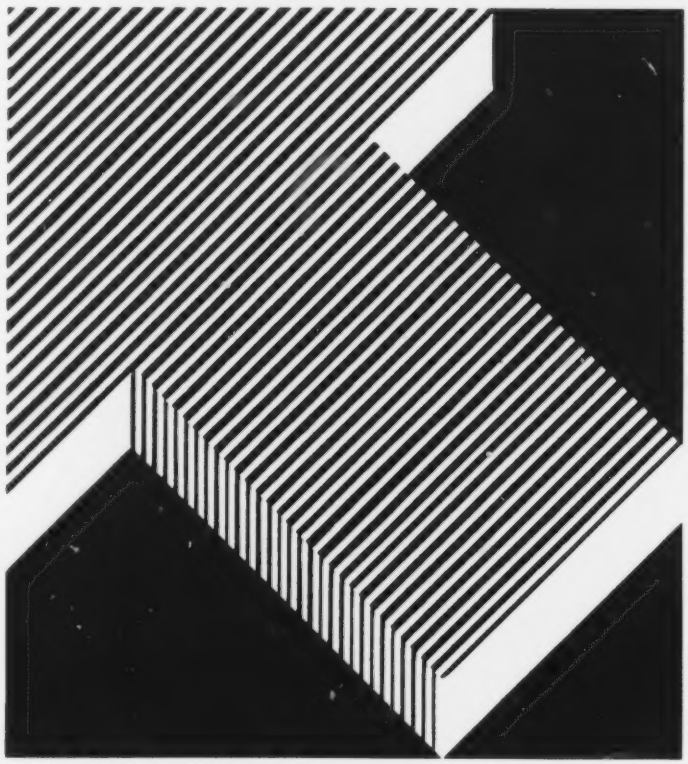
Rewarding Excellence:

Teacher Compensation and Incentive Plans



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This monograph is the second in a series of six publications on "Today's Issues in Education." The series is funded through the NSBA Revenue Sharing Fund. Money in the fund is used to financially support the development of programs and materials that are proposed by executive directors of the state school boards associations. Final selection of projects is based on recommendations by the Federation Member Executive Directors' NSBA Liaison Committee and approval by the NSBA Board of Directors. Of primary importance in considering projects to be supported is the value that the products and materials will have in assisting local lay school boards and their members to perform effectively their key role in the governance of public elementary and secondary schools in the nation.

Rewarding Excellence:

Teacher Compensation and Incentive Plans

September 1987

FOREWORD

The challenges faced by public school teachers today are greater than at any time in America's history. Worldwide economic competition demands the transmittal of increasingly complex knowledge coupled with a stronger nurturance of creativity and leadership skills in our young people. Profound changes in the American family structure — more working mothers, more single-parent families, etc. — require that teachers take ever more responsibility for transmitting the societal norms and values that have traditionally made this country strong. At the same time, growing numbers of students are estranged due to alcohol, drugs and poverty.

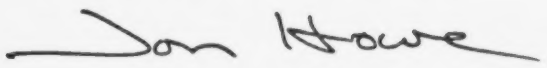
In spite of these tremendous responsibilities, in spite of this milieu, many excellent and dedicated teachers continue to teach and motivate their students to learn. Many individuals, not yet in the classroom, still aspire to enter the teaching profession. Attracting and retaining these teachers and would-be teachers is one of the most important objectives of local school boards around the country. And they are striving to meet this objective with vigor.

School boards know that "you get what you pay for." At a time when the public school budgets are strained to the limit, school boards are paying their teachers the highest salaries ever. However, even the most optimistic futurists strain to expect school revenues to rise concomitant with the demands that will continue to be placed upon the schools.

In order to ensure that they *do* get what they pay for, many school districts have implemented, or are considering implementing, teacher incentive plans. The plans vary considerably and include monetary as well as nonmonetary incentives. What nearly all have in common, however, are robust methods for evaluating teacher performance and sound structures for rewarding teaching excellence.

We hope that this monograph will assist you in charting the course most appropriate for your district to ensure that the highest standards of instruction are being met in America's public schools.

Very truly yours,



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INTRODUCTION

In the past several years, Americans have given renewed national attention to their public schools. Beginning with the publication of *A Nation At Risk* in 1983, dozens of reports and studies—conducted by groups ranging from the nation's governors to business executives to educational leaders—have discussed ways to improve the public schools. Although the various studies have taken different approaches and have reached different conclusions, they are agreed on one basic premise. In the words of the National Governors' Association (NGA), these reports conclude that "modern times are forcing Americans to become much better educated."

Local school boards and state legislatures responded to these early reports by enacting a number of reforms. Since 1980, according to Education Commission of the States data reported in the *Phi Delta Kappan*, 45 states and the District of Columbia have altered their requirements for earning a high school diploma— generally by increasing the number of required courses. Of the 34 states that had minimum graduation requirements in 1980, all have increased those requirements. Only four states—Hawaii, Idaho, Nebraska, and Wyoming—have not changed graduation requirements since 1980. (Colorado's state constitution prohibits statewide curriculum requirements.)

In addition, there have been some moves to ensure that more students go to school for a longer time. In 15 states, the school attendance age has been changed:

- Six states have raised the age for mandatory school attendance;
- Six states have added mandatory kindergarten;
- Three states have done both.

Six states and the District of Columbia have moved to increase the school year; the state of California has offered financial incentives to school districts that offer longer school days or years.

Yet although those efforts were significant, says former U.S. Commissioner of Education Ernest Boyer, many of the reforms instituted to date have "just washed over most teachers." A number of major studies—including those conducted by the Carnegie Forum, the Holmes Group, the National Commission for Excellence in Teacher Education, the California Commission, and the Committee for Economic Development—have urged a "second wave" of reforms addressing the critical need to attract and retain highly qualified, talented teachers. Common to these reports is a basic agreement on three fundamental issues: first, that school districts need to recruit and retain qualified teachers in light of an impending teacher shortage; second, that there is a need to further professionalize the teaching profession; and third, that it is vital to improve the performance of teachers who are in the classroom today.

Teacher Shortage

There is now considerable—although not unanimous—agreement that the nation is likely to face a shortage of teachers by 1991.

- In a 1986 Metropolitan Life survey, 27 percent of teachers polled said they were likely to leave teaching within the next five years.
- The Carnegie Forum estimated that 1.3 million new teachers will be needed between 1986 and 1992.
- NGA cited federal government estimates that by 1991, the supply of new teachers will be only 68 percent of demand.
- The most academically talented teachers leave teaching at twice the rate of the least able teachers, according to Linda Darling-Hammond of the Rand Corporation.

Shortages in certain disciplines are already critical. NGA found that 43 states already were experiencing a shortage of math teachers, and 42 states have more jobs for physics teachers than they have applicants. In addition, the National Science Teachers Association estimates that nearly 30 percent of the nation's science and math teachers are not qualified to teach those subjects.

Not all experts agree with these dire predictions. A widely publicized study by Emily Feistritzer—*Teacher Crisis: Myth or Reality?*—argues that teaching, like all other segments of the labor market, follows laws of supply and demand. She suggests that despite shortages in some areas and in some fields, there is generally no large-scale shortage of teachers on the horizon.

Daniel Hecher, a labor economist for the Bureau of Labor Statistics, examined the labor market for teachers in the Winter 1986 issue of *Occupational Outlook Quarterly*. While concluding that there was no nationwide teacher shortage, Hecher also found that:

> This does not mean that every school can fill every vacancy with a certified teacher. In reality, teaching is too diverse an occupation to be described accurately in terms of shortages or surpluses. Conditions vary widely by specialty, region of the country, and degree of urbanization. . . .Teachers in one specialty may have trouble finding jobs at the same time that schools cannot find enough teachers in another specialty. . . .Many teachers are not willing to move from surplus to shortage regions, so these imbalances persist. . . .The question, therefore, is not whether a shortage or surplus exists but where do shortages and surpluses exist—in what regions and what fields.

The first monograph in this series, *Good Teachers: An Unblinking Look at Supply and Preparedness*, took

an extensive look at the question of teacher supply and demand, and outlined a number of policy considerations for local school boards. The monograph concluded that although education analysts may disagree about the precise figures, there is general agreement that this country is close to a significant shortage of *qualified* elementary and secondary school teachers.

Marc Tucker of the Carnegie Corporation has observed that discussions of a teacher shortage *cannot* take place without considering the question of teacher quality:

> We do not face a teacher shortage. There isn't now and never has been a shortage of teachers in the United States; we always fill our classrooms. The crisis arises not because of a shortage but because at the very time when we must substantially improve teaching we face an enormous increase in demand for teachers—and a growing recognition that the education of American students must improve if we are not to be in severe economic trouble.

It is clear that a major responsibility of school boards is to ensure that the most qualified teachers are hired for our nation's schools. And education policymakers are increasingly taking actions that demonstrate they are unwilling to increase the supply of teachers by lowering demands for quality. They realize that—in the words of a study conducted by management consultants Cresap, McCormick, and Paget—teacher ability "is the most powerful determinant of educational outcomes and [educational] progress will be made only to the extent that we can attract better people into teaching and keep them there." As a result, many education leaders are looking at the predicted turnover of teachers as a unique opportunity to elevate teacher qualifications rapidly—and thus to affect the quality of education in the schools for many years.

Professionalizing Teaching

The possibility of a teacher shortage, and in particular the very high attrition rate (perhaps as much as 50 to 60 percent in the first four years) of new teachers makes it imperative that educational policymakers address ways to retain the best teachers. As NGA has noted, "It makes no sense to focus on recruiting people if we don't have strategies to keep them."

Why do people leave teaching? Low pay is certainly one reason. A 1984 Metropolitan Life survey of former teachers found that 60 percent cited poor salaries as the main reason they changed jobs.

But there is some evidence that the structure of the teaching career over a lifetime, in which salary is only a part, may provide a better explanation for why so many people—particularly the most able—leave teaching. Under a typical school district's salary schedule, a teacher is likely to approach the top of the pay scale within ten or 12 years of entering the workforce. At that point, the Carnegie Forum notes, teachers find themselves "in their mid-thirties faced with the prospect of no salary growth in real terms when their peers are beginning to enter their prime earning years."

In addition, teaching offers fewer opportunities for advancement than do other professions. In most other fields, opportunities for promotion and career advancement serve as powerful incentives for the best people to remain in the profession. Susan J. Rosenholtz has commented that these promotional opportunities provide other professionals an orientation to the future instead of the present.

Teaching, however, traditionally has offered few opportunities for promotion. Typically, those who have wished to advance in the profession must move out of the classroom—to become principals, district-level administrators, or superintendents. Some observers feel that the lack of opportunities for professional growth for those who wish to remain in the classroom reduces the professional status of teaching.

The problem, of course, is not unique to education. *The New York Times* reports that many corporations—especially in technology companies—are grappling with how to provide technical workers with a career path that does not force them to become managers in order to get promoted. Corporations, including I.B.M., 3M, and Honeywell, have begun to look at dual-ladder promotional plans as a way "to keep good scientists from becoming bad research directors."

Some schools, too, are experimenting with some sort of career ladder—finding ways to keep creative teachers in the classroom. Two established career ladder programs—the Tennessee state program and the Charlotte-Mecklenberg (North Carolina) career ladder—are described in this monograph.

Another reason the most talented young teachers leave the profession is the importance today's workers place on opportunities for personal and professional growth in the workplace. The Carnegie Forum described the importance of these growth opportunities:

> [O]rganizations that employ professionals are. . . typically based on collegial relationships among the professionals [although] that does not mean no one is in charge. . . .Work in such organizations is often challenging and fulfilling. A large body of research shows that it is these conditions of work, at least as much as the high salaries that typically accompany [them], that attract our most able college graduates.

In *Re-inventing the Corporation,* John Naisbitt makes much the same point as he examines how corporations will need to attract the most qualified workers in the coming years. "The best and the brightest people," he comments, "will gravitate toward those corporations that foster personal growth."

Yet as analysts including Ernest Boyer, Theodore Sizer, and the Carnegie Forum have pointed out, schools

8

traditionally have offered teachers few opportunities for personal and professional growth. In some cases, local school districts have had their hands tied by increasing state control. Partly in reaction to the public concern over education, some state legislatures have increased their regulation of schools dramatically, becoming more and more involved with specifying exactly how teachers are to teach.

The Carnegie Forum has recommended that schools involve teachers more directly with curriculum development and other challenging tasks. School districts are responding in a variety of ways:

- In Round Valley, California, experienced teachers serve as "mentors" for new teachers.
- In the Catalina Foothills (Arizona) school district, teachers recognized as outstanding can apply for stipends to attend a variety of professional development activities.
- Career Level II and III teachers in Tennessee have developed new curriculum, designed parental involvement programs, and conducted inservice for other teachers.

These and other professional development activities are described in greater detail later in the monograph.

As Sara Lightfoot, professor of Education at Harvard, notes, "Unless there are some freedoms within teaching, you will attract not creative, bright, and energetic people but more passive types who depend on bureaucracy to provide a lifetime of relatively low-risk work."

Patricia Albjerg Graham, dean of the Harvard Graduate School of Education, agrees:

> Current working conditions are a deterrent to good teaching. They discourage able people from staying. What is, in fact, a very good job, in terms of responsibility, for someone fresh out of college becomes a much less good job 15 years later because the conditions of work have not changed.

The Carnegie Forum has noted, "the plain fact is that the many good teachers we have are being driven out of teaching by these conditions, and it will be impossible to attract many new people of real ability to teaching until these conditions are radically altered." Professional advancement programs that provide increasing levels of responsibility, and increasing incentives for the most able teachers, would eliminate a major reason that teachers leave the profession.

Professionalization of teaching, however, carries with it obligations from teachers and teacher unions. While school boards must demand greater accountability as they design and implement programs to increase teachers' professional responsibilities, teachers and their unions also must police within their own ranks to ensure that incompetent teachers do not remain in the schools. Albert Shanker, head of the American Federation of Teachers, has agreed that "the public has to be guaranteed that teachers who shouldn't be [in the classroom] are being removed," although the "teacher has a right to a fair trial."

Many of the best teacher incentive programs combine an emphasis on more frequent and systematic evaluation with a greater involvement of teachers in the evaluation process. It is incumbent upon teachers' unions to recognize that this aspect of incentive plans is a legitimate—indeed essential—activity in professionalizing the teaching occupation.

Improving Teacher Performance

Although many of today's teachers may be expected to leave teaching, a significant percentage intend to remain in the classroom until they retire. A third challenge for school boards will be finding ways to motivate these teachers' performance in the years to come.

With all the discussion of the need to improve the performance of teachers, it is easy to lose sight of the fact that there are many excellent and dedicated teachers in the public schools today. There are countless teachers who plan exciting lessons, who meet with students before and after school hours, and who motivate their students to learn.

In most cases, however, current teacher pay structures do not offer any special incentives or rewards to those teachers who produce the most achievement for their students. "Teachers who routinely bring home students' papers and work on them late into the night are rewarded no differently from the teachers who do not," as NGA has noted.

The coming decades will require significant increases in student learning. And the rate at which student performance must increase, says the Carnegie Forum, "exceeds by far the rate at which school revenues can reasonably be expected to rise, even at the most optimistic levels." School districts must find new ways to increase teacher productivity.

The good teachers who are currently in the profession can be encouraged to become even better. The teachers who are not performing as expected must be helped to improve or encouraged to leave teaching. But as Ernest Boyer has observed:

> Whatever is wrong with America's public schools cannot be fixed without the help of those teachers already in the classrooms. Most of them will be there for years to come, and such teachers must be viewed as part of the solution, not the problem.

Monetary and Nonmonetary Incentive Programs

To address the need to attract, retain, and motivate good teachers, districts will have to examine a number of incentive programs. Many already are being implemented

in states and local school districts across the country. The variety of incentive programs can be divided into three major categories—programs that provide teachers with monetary incentives for improved performance, programs that provide extra pay for extra work, and programs that offer teachers nonmonetary incentives—including training, supplementary classroom materials, and other kinds of professional development—for superior performance.

These incentive programs also can do much to counteract the negative view of teachers that frequently has been displayed by the American public and the somewhat defensive response to this criticism by teacher unions. School boards have always supported good teaching and good teachers. Today that support and recognition is even more critical, and incentive programs (and the strong evaluation processes incorporated in them) can be tremendous tools by which school boards can improve the teaching profession and the image of teachers simultaneously.

This monograph is designed to help school board members set out the important facts about teacher incentive programs so they are better informed when they make decisions for their districts.

The monograph:

- Shows state-by-state data on teacher salaries and fringe benefits for beginning and veteran teachers;
- Reviews the research on teacher incentive programs;
- Examines recently adopted state teacher incentive programs;
- Analyzes the strengths and weaknesses of various incentive programs, and offers examples of incentive programs currently operating in local school districts; and
- Summarizes what current trends may mean for local school boards. ■

TEACHER COMPENSATION

Increasing teacher compensation is one significant step needed to attract and retain the highest quality teachers. In the past five years, local school boards and state legislatures have made significant efforts to raise teacher salaries. In some cases, these programs have been directed specifically at raising salary levels for new teachers, as a way to attract more qualified people to teaching. In other cases, there have been across-the-board salary increases. Fringe benefits also have been increased.

These general pay increases are an important step toward attracting and retaining good teachers. The Carnegie Forum pointed out that until very recently, teacher salaries had lost ground to other professions in real dollars. Even today, teacher salaries are at the low end of the spectrum for college graduates, and the prospects for lifetime salary growth do not compare with other professions.

This chapter presents information on changes in beginning teacher salaries, average teacher salaries, and fringe benefits in the past five years. Since the first major education reports were published in 1983, this five-year survey also gives some indication of how various states have responded.

Beginning Teacher Salaries

When teacher salaries are low, John Goodlad observed in *A Study of Schooling*, "there is little to attract young people into teaching beyond a passion to teach." Albert Shanker agreed: "Nobody's going to take a beating for six or seven thousand dollars a year unless they're moving toward the priesthood rather than toward teaching."

For that reason, school boards have made a conscious effort to increase teacher salaries. As a way to attract the best new candidates to the profession, some local district programs—and some state initiatives—have addressed the issue of beginning teacher salaries.

In the 1986-87 school year, the National Education Association reported that the average beginning teacher's salary in the U.S. was $16,000. More specific information on beginning teacher salaries is difficult to obtain; neither the NEA nor the AFT collects this data, although the AFT is preparing a report on beginning teacher salaries that may be available in the summer of 1987.

The most current information comes from a 1985 Education Commission of the States (ECS) report (based on the 1984-85 school year), which found a wide range in beginning teacher salaries.

- The lowest starting salary on a state schedule—$10,000—was in Illinois, although the actual average starting salary for teachers in the state was $14,348.
- Alaska offered the highest average starting salary —$26,752.
- In five states—Alaska, California, Massachusetts, New Jersey, and Wyoming—the average beginning salary for teachers was $18,000 or more.

According to a 1986 survey of state education policy conducted by the American Association of Colleges for Teacher Education, three states—New Jersey, California, and New Mexico—now have state laws establishing minimum starting teacher salaries. Several other states have also adopted legislation requiring a minimum beginning teacher salary.

In addition to these state-mandated increases, many local boards of education have raised their starting salaries. In some cases, local boards have been responding to the demands of the marketplace—when a neighboring state raises beginning teacher salaries, for example, some nearby districts in other states may follow suit.

The first monograph in this series discussed the negative impact that low salaries have on recruitment of new teachers. It also pointed out that not only the reality of low salaries but also the perception that teachers' salaries are low has deterred students from choosing teaching as a career. College students traditionally underestimate the beginning salaries of teachers, while overestimating the beginning salaries in other careers.

While changes in beginning teacher salaries are one important step school boards can take to attract better candidates to the teaching profession, higher starting salaries are not going to provide an incentive for more experienced teachers to remain in the classroom. John Goodlad points out that "the demands of providing quality education are such that we need in every school at least a few teachers who are well prepared and highly gifted." Yet, he continues, "there is very little hope of assuring the presence of such individuals in schools unless the 'flatness' of the teaching profession is corrected."

To retain their excellent, experienced teachers, school boards also have made significant changes in their salary schedules. These changes include significant increases in average teacher salaries, as well as exploring alternatives to a lock-step, compressed salary schedule.

Changes in Average Teacher Salaries

In 1986, the National Education Association reported that the average teacher salary was $25,313. In the years between 1982 and 1986, average teacher salaries increased 21.5 percent. Every state in the union raised teacher salaries between 1984-85 and 1985-86, for a national average increase that year of 7.2 percent. Two states—Alabama and Arkansas—have raised teachers' salaries more than 10 percent annually in two consecutive years since 1982-83.

The highest teacher salaries are paid in Alaska, with an average of $41,480. It is followed by the District of

Columbia, with an average salary of $33,990; New York, with $30,678; Michigan, with $30,168; and Rhode Island, with $29,470.

The lowest average teacher salaries are paid in South Dakota, with an average of $18,095. The other states with the lowest teacher pay are Mississippi, $18,443; Arkansas, $19,538; Maine, $19,583; and New Hampshire, $20,263.

Vermont, which increased teacher salaries by 32.6 percent over five years, showed the greatest percentage

FIGURE 2-1

AVERAGE TEACHER SALARY TRENDS — 1982 TO 1986

STATE	AVERAGE SALARY 1982-83*	AVERAGE SALARY 1986-87**	% INCREASE 1982-86	RANK BY % INCREASE	RANK BY 1985-86 SALARY
ALABAMA	$17,900	$22,934	28.1%	9	27
ALASKA	35,297	41,480	17.5	38	1
ARIZONA	18,843	24,640	30.8	5	24
ARKANSAS	15,029	19,538	30.0	6	49
CALIFORNIA	23,935	29,132	21.7	27	6
COLORADO	21,470	25,892	20.6	28	16
CONNECTICUT	20,795	26,610	28.0	11	13
DELAWARE	20,625	24,624	19.4	33	22
D.C.	26,740	33,990	27.1	13	2
FLORIDA	18,275	22,250	21.8	25	33
GEORGIA	17,412	22,080	26.8	14	34
HAWAII	25,308	25,845	2.1	51	18
IDAHO	17,573	20,969	19.3	34	40
ILLINOIS	22,611	27,170	20.2	31	10
INDIANA	20,145	24,274	20.5	29	25
IOWA	18,990	21,690	14.2	43	37
KANSAS	18,231	22,644	24.2	18	29
KENTUCKY	18,384	20,940	13.9	45	41
LOUISIANA	18,400	20,460	11.2	47	45
MAINE	16,248	19,583	20.5	29	48
MARYLAND	22,786	27,186	19.3	34	9
MASACHUSETTS	20,240	26,800	32.4	2	12
MICHIGAN	24,304	30,168	24.1	19	4
MINNESOTA	22,875	27,360	19.6	32	7
MISSISSIPPI	14,320	18,443	28.8	7	50
MISSOURI	17,521	21,974	25.4	17	35
MONTANA	19,702	22,482	14.1	44	31
NEBRASKA	17,187	20,939	21.8	25	42
NEVADA	22,067	25,610	16.1	40	20
NEW HAMPSHIRE	15,360	20,263	32.0	3	47
NEW JERSEY	21,535	27,170	26.2	15	10
NEW MEXICO	20,465	22,644	10.6	50	29
NEW YORK	25,000	30,678	22.7	22	3
NORTH CAROLINA	17,801	22,795	28.1	9	28
NORTH DAKOTA	18,774	20,816	10.9	49	43
OHIO	20,004	24,500	22.5	23	23
OKLAHOMA	18,270	21,419	17.2	39	39
OREGON	21,746	25,788	18.5	37	19
PENNSYLVANIA	21,178	25,853	22.1	24	17
RHODE ISLAND	23,175	29,470	27.2	12	5
SOUTH CAROLINA	16,430	21,570	31.3	4	38
SOUTH DAKOTA	15,592	18,095	16.1	40	51
TENNESSEE	17,697	21,800	23.2	21	36
TEXAS	19,545	25,160	28.0	21	21
UTAH	19,859	22,341	12.5	46	32
VERMONT	15,328	20,325	32.6	1	46
VIRGINIA	18,535	23,382	26.2	15	26
WASHINGTON	23,413	26,015	11.1	48	15
WEST VIRGINIA	17,322	20,627	19.1	36	44
WISCONSIN	21,496	26,525	23.4	20	14
WYOMING	23,822	27,224	14.3	42	8

*SOURCE: American Federation of Teachers, reported in *Education Daily*, December 12, 1985.
**SOURCE: National Education Association, reported in *The Washington Post*, November 5, 1986.

increase in teacher salaries. It was followed by Massachusetts, 32.5 percent; New Hampshire, 32.0 percent; South Carolina, 31.3 percent; and Arizona, 30.8 percent.

Hawaii, which increased teacher salaries by 2.9 percent over 5 years, had the smallest percentage increase. Other states with the smallest percentage increase included New Mexico, 10.6 percent; North Dakota, 10.9 percent; Washington, 11.1 percent; and Louisiana, 11.2 percent.

Figure 2-1 shows average teacher salaries, percentage increases, and rank by percentage increase.

Regional Variations in Salaries

There are some significant differences in teacher salaries, and in salary trends, in various regions of the country. The highest average wages are paid to teachers in the Pacific region, where salaries average $29,652. That region also had the lowest average percentage increase over five years: 14.2 percent.

The lowest average salary is in the East South Central region, with an average of $21,029. New England, with average increases of 28.8 percent, showed the greatest percentage increase over five years.

Figure 2-2 shows regional differences in teacher salaries.

Teacher Salaries Compared With Salaries of Other Workers

Clearly teacher salaries have increased substantially over the last five years. However, an analysis of salary data is incomplete without a comparative examination of other segments of the U.S. labor force.

In every state, the 1986 average salary for teachers is higher than the mean annual salary for all workers in the private sector, according to data compiled by the American Federation of Teachers. The AFT showed an average salary for teachers for the year of $25,240

FIGURE 2-2

Average Teacher Salary Trends by Region 1982-1986

NEW ENGLAND
(CONNECTICUT, MAINE, MASSACHUSETTS, NEW HAMPSHIRE, RHODE ISLAND, VERMONT)

AVERAGE SALARY INCREASE	28.8
AVERAGE SALARY 1986	$23,842

MIDDLE ATLANTIC
(NEW JERSEY, NEW YORK, PENNSYLVANIA)

AVERAGE SALARY INCREASE	23.7
AVERAGE SALARY 1986	$27,900

EAST NORTH CENTRAL
(ILLINOIS, INDIANA, MICHIGAN, OHIO, WISCONSIN)

AVERAGE SALARY INCREASE	22.1
AVERAGE SALARY 1986	$26,527

WEST NORTH CENTRAL
(IOWA, KANSAS, MINNESOTA, MISSOURI, NEBRASKA, N. DAKOTA, S. DAKOTA)

AVERAGE SALARY INCREASE	18.9
AVERAGE SALARY 1986	$21,931

SOUTH ATLANTIC
(DELAWARE, DIST. OF COLUMBIA, FLORIDA, GEORGIA, NORTH CAROLINA, SOUTH CAROLINA, VIRGINIA, WEST VIRGINIA)

AVERAGE SALARY INCREASE	25.0
AVERAGE SALARY 1986	$23,915

EAST SOUTH CENTRAL
(ALABAMA, KENTUCKY, MISSISSIPPI, TENNESSEE)

AVERAGE SALARY INCREASE	23.5
AVERAGE SALARY 1986	$21,029

WEST SOUTH CENTRAL
(ARKANSAS, LOUISIANA, OKLAHOMA, TEXAS)

AVERAGE SALARY INCREASE	21.8
AVERAGE SALARY 1986	$21,644

MOUNTAIN
(ARIZONA, COLORADO, IDAHO, MONTANA, NEVADA, NEW MEXICO, UTAH, WYOMING)

AVERAGE SALARY INCREASE	17.3
AVERAGE SALARY 1986	$23,975

PACIFIC
(ALASKA, CALIFORNIA, HAWAII, OREGON, WASHINGTON)

AVERAGE SALARY INCREASE	14.2
AVERAGE SALARY 1986	$29,652

SOURCE: American Federation of Teachers, reported in *Education Daily*, December 12, 1985, and National Education Association, reported in *The Washington Post*, November 5, 1986.

compared to average annual earnings of $19,488 for the private sector.

The highest ratio of teacher salary to private sector earnings was in Rhode Island, where a teacher earns, on average, 1.77 times as much as a worker in the private sector. It was followed by Hawaii, 1.55; Wisconsin, 1.52; Alaska, 1.46; and Montana, 1.45.

Teachers in Louisiana earn the least compared to other workers in the state — a ratio of 1.09. Other states with low ratios include West Virginia, 1.11; Missouri, 1.14; New Hampshire, 1.16; and Texas, 1.19.

Some states with high salaries also pay teachers well in comparison to other private sector workers. Alaska, which has the highest average teacher salary in the nation, also has one of the highest ratios of teachers' salaries to private sector earnings—1.46. Some states with low salaries, such as Mississippi and Maine, also rank relatively low in the ratio of teacher to private sector earnings.

But a comparison of Figures 2-1 and 2-3 shows a wide variance in the two ratings. Michigan, which ranks fourth in teacher salaries, ranks 31st in a comparison of teacher salaries to private sector employees. South Dakota— 51st in teacher salaries—ranks 27th when teacher salaries are compared with private sector earnings.

Figure 2-3 compares the average teacher's salary with the mean annual earnings of all workers in the private sector.

Teachers are faring better on the average, then, than are many other American workers. A fairer assessment, though, requires a comparison of teachers with other workers of comparable age and education level. In *Teacher Crisis: Myth or Reality*, the following statistics are cited from the National Center for Education Information:

- The average earnings for Americans ages 35 to 44 with four or more years of college in 1985 was $32,094. For men in this category, the average salary was $39,874; for women, $19,634.
- For teachers ages 35 to 44, on nine- or ten-month contracts, the average salary in 1985-86 was $25,604. The average salary for male teachers was $26,538; for women, $24,016.

These figures are not dissimilar to those compiled by the U.S. Census Burea and displayed in Figure 2-4. Figure 2-4 compares mean earnings for 1984—the last year for which complete data are available—for teachers and other American workers, broken down by age, sex and educational attainment of workers.

As this figure illustrates, teachers earn less, on the average, than do other workers of similar age and educational background. It is interesting to note that female teachers' salaries are relatively comparable with other female workers. Male teachers, on the other hand, lag considerably behind their counterparts in other occupations, particularly as they grow older and presumably advance in their chosen careers.

FIGURE 2-3

Average Salary of Teachers Compared to Annual Earnings in the Private Sector, 1986

Rank	State	Annual Earnings: Teachers	Annual Earnings: Private Sector	Ratio of Teachers to Private Sector
1	Rhode Island	$29,470	$16,644	1.77
2	Hawaii	26,038	16,845	1.55
3	Wisconsin	26,720	17,565	1.52
4	Alaska	41,647	28,489	1.46
5	Montana	22,482	15,526	1.45
6	Maryland	26,580	18,546	1.43
7	Nevada	25,606	17,922	1.43
8	Wyoming	27,461	19,255	1.43
9	Minnesota	27,360	19,256	1.42
10	Oregon	25,664	18,154	1.41
11	Washington	26,182	18,810	1.39
12	California	29,258	21,324	1.37
13	Pennsylvania	26,006	19,041	1.37
14	South Carolina	21,428	15,762	1.36
15	Massachusetts	26,800	19,764	1.36
16	Colorado	25,892	19,133	1.35
17	New York	30,490	22,536	1.35
18	North Dakota	20,815	15,409	1.35
19	Florida	22,250	16,491	1.35
20	Nebraska	20,834	15,470	1.35
21	North Carolina	22,476	16,770	1.34
22	New Mexico	22,526	16,835	1.34
23	Kansas	22,644	16,980	1.33
24	Iowa	21,802	16,406	1.33
25	D.C.	32,067	24,247	1.32
26	Arizona	23,931	18,121	1.32
27	South Dakota	18,095	13,702	1.32
28	Illinois	27,172	20,702	1.31
29	Alabama	22,934	17,496	1.31
30	New Jersey	28,000	21,368	1.31
31	Michigan	29,461	22,748	1.30
32	Virginia	23,388	18,091	1.29
33	Tennessee	21,800	17,021	1.28
34	Idaho	20,971	16,546	1.27
35	Georgia	23,046	18,247	1.26
36	Delaware	24,625	19,529	1.26
37	Utah	22,229	17,685	1.26
38	Ohio	24,988	19,881	1.26
39	Vermont	20,379	16,239	1.25
40	Arkansas	19,926	15,918	1.25
41	Indiana	24,248	19,382	1.25
42	Oklahoma	22,444	17,967	1.25
43	Mississippi	18,472	14,939	1.24
44	Connecticut	26,898	21,857	1.23
45	Maine	19,583	15,922	1.23
46	Kentucky	20,948	17,572	1.19
47	Texas	24,419	20,490	1.19
48	New Hampshire	20,163	17,530	1.16
49	Missouri	21,974	19,208	1.14
50	West Virginia	20,625	18,591	1.11
51	Louisiana	20,460	18,687	1.09

SOURCE: American Federation of Teachers, *Survey and Analysis of Salary Trends 1986*, reprinted in *Teacher Crisis: Myth or Reality* by Emily Feistritzer, National Center for Education Information, 1986.

FIGURE 2-4

Teachers' Salaries Compared with Other Workers of Similar Educational Background

	Mean Earnings of Full-time, Year-round Workers (average 250 work days)			Average Salary of Teachers (average 180 work days)		
Age	**Both Sexes**	**Male**	**Female**	**Both Sexes**	**Male**	**Female**
			Totals Regardless of Education			
18-24	$12,781	$13,658	$11,706	$15,953	$15,826	$16,546
25-34	20,253	22,716	16,303	19,212	20,274	18,532
35-44	25,397	29,598	17,925	24,817	25,512	23,205
45-54	24,998	30,113	16,352	25,845	28,120	24,644
55-64	24,320	28,809	15,930	27,074	29,619	25,214
65+	22,007	25,957	12,457			
average	22,174	25,884	16,036	23,590	25,807	22,813
			4 Years of College			
18-24	$17,051	$19,170	$15,445	$ *	$15,852	$15,550
25-34	23,446	26,360	19,287	17,955	19,297	17,305
35-44	31,703	35,491	22,216	20,009	19,972	20,025
45-54	35,970	41,891	21,184	20,454	21,155	20,262
55-64	36,433	40,516	21,285	22,133	25,366	21,567
65+	34,668	39,231	19,210			
average	28,497	33,086	19,885	19,288		
			4 Years College and Over			
18-24	$17,482	$19,640	$15,847	$ *	$15,768	$15,998
25-34	24,843	27,959	20,041	19,304	20,313	18,935
35-44	34,417	38,446	24,452	24,416	25,985	23,515
45-54	37,982	43,376	24,486	25,905	28,324	24,478
55-64	39,078	43,170	25,686	27,108	30,183	25,576
65+	35,758	39,327	20,593			
average	31,492	36,104	22,072	23,620	25,817	22,813
			5 Years of College and Over			
18-24	$	$25,331	$20,648	$ *	$15,504	$17,571
25-34	27,578	30,822	21,744	19,821	20,831	19,492
35-44	36,958	41,234	26,509	25,232	27,105	24,102
45-54	39,878	44,774	27,605	27,333	29,305	25,951
55-64	42,117	46,412	29,831	27,831	30,466	26,329
65+	36,595	39,395	22,089			
average	35,437	39,829	25,370	24,690		

Note: Mean Earnings from the U.S. Bureau of Census are for 1984—the latest year available. Average salaries for teachers reported in the NCEI survey were for the 1985-86 school year and were adjusted to 1984 dollars using the Consumer Price Index.

SOURCE: *Teacher Crisis: Myth or Reality,* by C. Emily Feistritzer, National Center for Education Information 1986.

One important caveat to all salary analyses must be taken into consideration, however: the average teachers' work year is shorter than that of many other workers (an average of 180 days compared with an average of 250 days per year, respectively). In its March 23, 1987, *Legislative Bulletin*, the New York State School Boards Association compared teacher salaries adjusted to reflect a twelve-month work year with other professions. The association found that the median teachers' salary ($37,053) in New York state was in the mid-range of the salary distribution for eight professions, including attorneys, engineers, accountants, and system analysts.

Implications of Teacher Salaries for Local District Policy

In the last five years, local school districts have made significant efforts to raise teacher salaries. In some cases, these efforts have been supported by additional state funding; in other cases, local districts have had to rely on local resources.

Obviously, any plan to raise teachers' salaries will carry financial implications. Nonetheless, an investment to raise teacher salaries to competitive levels will be necessary if districts are to attract and retain good teachers.

When evaluating budget priorities, local district policymakers should consider the following:

- In surveys conducted in 1984 and in 1986 by Metropolitan Life, an overwhelming number of former teachers (88 percent) and current teachers (94 percent) said that "providing a decent salary" would help a lot in retaining current good teachers.
- Competitive salaries allow teachers to concentrate their energies on teaching. ECS noted that in 1986, 16.8 percent of all teachers—and 22.4 percent of all high school teachers—reported holding outside jobs during the school year. The number may actually be much higher—a 1982 survey of Texas teachers, cited in *High School*, found that 29 percent held additional jobs during the school year. Most of the teachers who were employed outside said these jobs interfered with their teaching.
- Raising base pay for all teachers may be a requirement to implementing an effective incentive program. When base pay is regarded as too low, experience in the public sector has shown that managers tend to distribute performance awards evenly to all employees.
- In the past, when the teaching staff was largely female, a shorter work year was a significant advantage for many teachers, who wanted a career that enabled them to spend summers with their children. For an increasing number of teachers, however, the increased salary from working an eleven- or twelve-month contract may be more important than the time off. One possible incentive (already a part of Tennessee's Career Ladder program) is to offer outstanding teachers the opportunity to work a longer contract, teaching special courses, developing curriculum, and preparing instructional materials.

When considering the subject of teacher salaries and their effect on school budgets, local district leaders can:

- Devise strategies for building public awareness and support for raising and maintaining teacher salaries at competitive levels. The Carnegie Forum has pointed out that the public is willing to pay more for public education when it knows what the benefits of such increased support will be.
- Let local taxpayers know the steps the district is taking to ensure the quality of instruction. Citizens should know, for example, how the district is dealing with teachers whose performance needs improvement. They also will want to know that money being redirected toward increased teacher compensation is not being taken away from other areas considered essential, such as maintenance and repair of school facilities. The long-term implications need to be examined therefore.
- Consider ways to work with state policymakers to find additional sources of state revenues to support local salary initiatives. Some states have earmarked an increase in sales taxes, for example, to pay for teacher salary increases.
- Be realistic about what can—and cannot—be expected from salary increases. There is evidence that higher salaries will help in attracting qualified new teachers. But typically, across-the-board pay raises do not lead to sustained increases in productivity by teachers who are already in the profession.

Collective Bargaining

In the last two decades, there has been a dramatic increase in collective bargaining for teachers. When Illinois and Ohio passed public employee bargaining laws in 1983, they increased to 34 the number of states (including the District of Columbia) that have such legislation.

In general, teachers in states with collective bargaining legislation tend to fare slightly better relative to other private sector workers than do teachers in non-collective bargaining states. Of course, collective bargaining by itself cannot reliably be viewed as the cause of the higher salaries. Other factors, such as average state salaries (shown in Figure 2-3) can be contributory.

For the nation as a whole, the ratio of teacher salaries to private sector earnings in collective bargaining states is 1.35. In states without collective bargaining, the ratio is 1.26.

Yet an analysis of salary increases over the past five years indicates that teachers in states with collective bargaining legislation, where collective bargaining could be expected to be more prevalent, generally realized

FIGURE 2-5

Comparison of Average Teacher Salary Increases 1982-1986

States with Collective Bargaining Legislation

State	% Change 1982-86	Ratio: Teacher Salary/ Private Sector
ALASKA	17.5%	1.46
CALIFORNIA	21.7	1.37
CONNECTICUT	28.0	1.23
DELAWARE	19.4	1.26
DISTRICT OF COLUMBIA	27.1	1.32
FLORIDA	21.8	1.35
HAWAII	2.1	1.55
IDAHO	19.3	1.27
ILLINOIS*	20.2	1.31
INDIANA	20.5	1.25
IOWA	14.2	1.33
KANSAS	24.2	1.33
MAINE	20.5	1.23
MARYLAND	19.3	1.43
MASSACHUSETTS	32.4	1.36
MICHIGAN	24.1	1.30
MINNESOTA	19.6	1.42
MONTANA	14.1	1.45
NEBRASKA	21.8	1.35
NEVADA	16.1	1.43
NEW HAMPSHIRE	32.0	1.16
NEW JERSEY	26.2	1.31
NEW YORK	22.7	1.35
NORTH DAKOTA	10.9	1.35
OHIO*	22.5	1.26
OKLAHOMA	17.2	1.25
OREGON	18.5	1.41
PENNSYLVANIA	22.1	1.37
RHODE ISLAND	27.2	1.77
SOUTH DAKOTA	16.1	1.32
TENNESSEE	23.2	1.28
VERMONT	32.6	1.25
WASHINGTON	11.1	1.39
WISCONSIN	23.4	1.52
AVERAGE % INCREASE	20.9	(W/O HAWAII 22.2)
AVERAGE RATIO TEACHER SALARY/ PRIVATE SECTOR		1.35

*Passed collective bargaining legislation for teachers in 1983.

States without Collective Bargaining Legislation

State	% Change 1982-86	Ratio: Teacher Salary/ Private Sector
ALABAMA	28.1%	1.31
ARIZONA	30.8	1.32
ARKANSAS	30.0	1.25
COLORADO	20.6	1.35
GEORGIA	26.8	1.26
KENTUCKY	13.9	1.19
LOUISIANA	11.2	1.09
MISSISSIPPI	28.8	1.24
MISSOURI	25.4	1.14
NEW MEXICO	10.6	1.34
NORTH CAROLINA	28.1	1.34
SOUTH CAROLINA	31.3	1.36
TEXAS	28.7	1.19
UTAH	12.5	1.26
VIRGINIA	26.2	1.29
WEST VIRGINIA	19.1	1.11
WYOMING	14.3	1.43
AVERAGE % INCREASE	22.7%	
AVERAGE RATIO TEACHER SALARY/PRIVATE SECTOR		1.26

salary increases that were about the same as teachers in states without collective bargaining laws. The average salary increase in states with collective bargaining laws was 20.9 percent; by eliminating Hawaii, which significantly skews the data, the figure is 22.2 percent. That increase is compared with 22.7 percent in states without the legislation. Figure 2-5 shows these comparisons.

State laws on collective bargaining may restrict a local school district's options in implementing any incentive plan. Collective bargaining rules can significantly limit the ability of school districts to revise their teacher pay and processes.

State tenure and compensation laws may also affect incentive plans. In many states, school districts are prohibited from reducing teachers' salaries. Procedures for terminating tenured teachers are often so cumbersome, said Glenn H. Tecker in *Merit, Measurement and Money*, that they "create widespread perceptions that bad teaching is, for all practical purposes, invulnerable to any significant consequence as long as the teacher has met the criteria for tenure."

In some cases, it may be necessary for school districts to seek exemptions from some of the provisions of the state law in order to implement their program. The Charlotte-Mecklenberg schools, for example, are exempt from some of North Carolina's tenure provisions.

In order for incentive programs to operate successfully in the face of collective bargaining, school boards and teachers' unions will have to change the focus of bargaining, developing ways to emphasize quality instruction. There are a number of incentive programs in operation today, many of them in districts that bargain collectively. When the Carnegie Forum surveyed these districts, they found that "almost without exception, these programs resulted from the constructive actions of labor and management working collaboratively."

The California Commission on the Teaching Profession has recommended another approach: Educational Policy Trust Agreements. Such an approach has already been endorsed by AFT President Albert Shanker.

Educational Policy Trust Agreements differ from collective bargaining contracts in a number of significant ways. These differences are described by Douglas E. Mitchell, a faculty member of the School of Education at the University of California, Riverside, and former director of the Policy Support Services Program at Far West Laboratory:

> First, where contracts seek to specify rules, trust agreements develop shared goals. . . .Where rules mandate behavior and create specific rights for employees, the goals specified in a trust agreement define the purposes of teaching activities and identify the resources to be used in pursuing those purposes. Rather than emphasizing accountability for mandated actions. . .Trust Agreements emphasize joint planning. Rather than specifying rules teachers and school administrators are to follow, Trust Agreements require teachers and administrators to agree about what needs to be accomplished. Rather than specifying individual teacher rights, Trust Agreements establish what resources will be used to reach agreed upon goals to solve identified educational problems.

Mitchell sets out four key steps for developing Policy Trust Agreements: first, identify the goals or purposes to be pursued under the agreement. Second, identify the resources to be set aside to pursue identified goals. Third, describe the implementation process to be used in putting the resources to work on the identified goals. Fourth, develop the trusteeship arrangements for overseeing the implementation process.

Suggested Collective Bargaining Policy Actions

When considering how to develop incentive programs in the face of collective bargaining legislation, local district policymakers can:

- Work closely with teachers' organizations. Early participation of teacher representatives in the development of incentive plans and teacher evaluation procedures can play a major role in the plan's eventual acceptance.
- Try to change the focus of bargaining. Many teacher organizations are interested in securing increased professional opportunities for teachers—such as involvement in school management. But at the same time, teacher organizations must also be willing to negotiate on other professional responsibilities, such as a commitment to the highest level of teacher performance, for example.
- Seek exemptions to state tenure laws, if necessary. Some states are lengthening the time before newly hired teachers are awarded tenure.
- Attend to legislative efforts to circumvent collective bargaining rules in mandating teacher salary structures. In some cases, legislatures have proposed teacher incentive programs that violated their own state collective bargaining laws.
- Make it clear that the district is willing to use all methods available under existing tenure laws to ensure that teachers whose classroom performance needs improvement will be monitored, helped to improve, and—if necessary—terminated.
- Do not assume that teacher unions will always represent the majority of teachers. Today, nearly two in five teachers with less than five years' experience (37.9 percent) do not belong to either the National Education Association (NEA) or the American Federation of Teachers (AFT). This is in line with national union membership trends.
- Consider alternative arrangements, such as Educational Policy Trust Agreements, to reduce unproductive tension and conflict between the district's teachers and the school board.

Fringe Benefits

Fringe benefits are another important component of the compensation package that school districts offer their professional staff. With salaries, they offer school districts an important way to attract and retain good teachers. The following summary includes highlights from a report by Educational Research Service (ERS) on *Fringe Benefits for Teachers in Public Schools.* The report presents information on the 1985-86 school year, the most recent available on a national basis.

- Over 20 percent of all responding school systems provided teachers with 14 or more days of sick leave per year. That figure was down significantly from 1983-84, when more than 30 percent of the districts provided that much sick leave.
- Nearly half (49.0 percent) of school systems providing sick leave allowed an unlimited accumulation or provided leave as needed with no restrictions on the number of days. 34.8 percent of all respondents allowed unused sick leave to be credited at least in part towards retirement service. That figure was up significantly from 1983-84, when 26.8 percent of districts made that allowance.
- More than two-thirds of all districts provide sabbatical leave for teachers; 57.3 percent of this group allowed up to two semesters or one calendar year of leave, and 57.6 percent of this group paid a portion of the teacher's salary while on leave. 85.5 percent of the districts providing sabbatical leave required a specified number of years of experience for eligibility, with a mean of 6 years reported.
- 96.5 percent provided group hospitalization insurance for teachers.
- 94.8 percent provided medical/surgical insurance for teachers.
- 96.4 percent provided major medical insurance for teachers.
- 68.4 percent of all respondents provided professional liability insurance for teachers; 94.1 percent of these reported coverage under a blanket provision in the Board's policy.
- 74.7 percent offered a statewide teachers' retirement system. 25.9 percent participated in a retirement system covering all public employees. In addition, 3.7 percent of local districts offered their own retirement system. A local retirement system is most likely to be offered in a system of 25,000 students or more (11.5 percent).
- 54.2 percent offered Social Security coverage for teachers. The percentage is approximately the same for the largest districts (55.7 percent) as for the smallest (56.4 percent).
- 73.7 percent provided a tax-sheltered annuity plan to which teachers could contribute. 45.9 percent reported early retirement incentive programs for teachers; 76.1 percent of these reported local programs with 21.9 percent of these being eligible for retirement with full benefits.
- 31.1 percent of all respondents reported tuition reimbursement benefits for teachers; 41.5 percent reported that payment was provided for graduate credits only; 5.3 percent reported no restrictions on the types of courses reimbursed.

For many teachers, having the summer off is still considered to be an important fringe benefit. In a survey conducted by the National Center for Education Information, 84 percent of teachers who have been hired in the last five years—the same as for all public school teachers—said they agreed with the statement, "Even if I could make more money teaching 12 months out of the year instead of 9 or 10, I'd rather teach just 10 months." Even when given the option of teaching for nine or ten months and then carrying out other professional responsibilities for the remainder of the year, slightly more than three quarters (78 percent) of all teachers said, "I'd still prefer a 9 or 10 month contract to a 12 month contract."

Implications of Fringe Benefits for Local District Policy

Local district policymakers can:

- Structure fringe benefits to reinforce the district's educational goals. In the last few years, there has been a considerable body of research showing when classroom teachers are absent, students learn significantly less. Districts are responding by reducing the number of sick leave days allowed in a year and by making it attractive for teachers to "bank" their sick leave for retirement.
- Consider offering a "menu" of fringe benefits. Today, two-career households are the rule, not the exception. Seventy-five percent of all teachers are married; nine out of ten married female teachers and 54 percent of married male teachers have spouses who work full time. In many cases, these teachers are eligible for hospitalization or health insurance under their spouse's employer's policies. Other fringe benefits, such as dental insurance or attendance at a professional conference or other meeting, might be far more attractive to those teachers—at a cost that might be less than the district is currently assuming by offering everyone the same benefits.
- Use fringe benefits to foster career development. Periodic sabbaticals are now used in the private sector to retain employees. Districts may wish to offer sabbatical leave at full pay as an incentive for outstanding teachers.
- Develop incentives for older teachers that allow them to increase their retirement benefits. Retirement benefits are a significant incentive for older teachers to remain in the profession. Proposals such as "banking" sick leave, offering the opportunity to

"buy" another year of service, and so on, may prove to be a powerful incentive for some teachers.

- Make sure teachers understand the value of their retirement benefits. In combination with social security, a retirement program can prove to be an important—and costly—benefit for teachers. Talk about "total compensation and fringe benefits"—not just salary.

As important as salary and fringe benefits are, however, they are not the only important incentive for today's teachers. In fact, some of the most powerful incentives for teachers are those that do not involve an increase in salary.

The next chapter discusses a variety of incentives that districts are offering teachers. It also outlines advantages and disadvantages for each type of incentive program. ■

Monetary and Nonmonetary Teacher Incentive Plans

History of Incentive Pay Programs

Teacher incentive programs are not new. During this century, incentive pay plans have gone into and out of favor with school districts. "What's typically happened is that when there's been a perceived crisis in education, people have said, 'Gee, we ought to pay the better teachers more,'" says Richard J. Murnane, professor in the Harvard Graduate School of Education.

In 1908, the Newton, Massachusetts, schools instituted what is generally regarded as the nation's first incentive pay plan. The idea spread rapidly, and by 1920, according to ERS, "merit pay was the norm for compensating teachers."

Beginning in the 1920s, however, ERS found that school systems began to adopt uniform salary schedules, giving equal rewards to all teachers with similar experience and training. In 1923, the NEA noted that 33 percent of districts responding to a nationwide survey reported that they had a merit pay plan. By 1928, the figure was down to 18 percent.

Interest in merit pay continued to fall during the 1940s and 50s, when most school districts adopted uniform salary schedules. A 1979 ERS study found that between 1939 and 1953, the number of merit pay programs in school systems in cities with populations of more than 30,000 fell from 20 to 4 percent.

There was a resurgence of interest in merit pay plans during the 1960s, perhaps because of the nation's response to Sputnik, which resulted in a variety of national programs emphasizing education. During the 60s, approximately 10 percent of all U.S. school districts adopted some form of incentive pay program. By 1972, that number had fallen to 5.5 percent. And a *Harvard Educational Review* article by Murnane and David K. Cohen reported that by 1978, a survey of the 11,500 school districts enrolling at least 300 students found only 115 with incentive pay plans.

The historical waxing and waning of teacher incentive pay plans can be explained, at least in part, by the advantages and disadvantages of such plans that are described in detail in the following pages. At the same time, however, it must be noted that the unified salary schedule, which has remained popular over the last five decades in school districts, is not without merit. According to Samuel B. Bacharach, *et al.*, in *Paying for Better Teaching: Merit Pay and Its Alternatives,* the unified salary schedule has two basic strengths:

- "it reflects our basic understanding of how teachers acquire their skills"—that is, teachers learn how to teach by being teachers; and
- "it is a system of compensation that has minimal impact on other school processes"—that is, it does not inhibit the use of other mechanisms that raise teacher performance.

Bacharach and his colleagues point out possible reforms within the present teacher compensation system that might serve local districts better than wholesale adoption of incentive pay plans linking salary determinations to performance assessments. These modifications include "consolidating steps on existing schedules to provide fewer but larger increments for teaching experience. . ., substantially increasing the size of increments within the unified salary schedule, particularly those associated with years of experience. . ., granting salary credits for inservice education. . ., and paying full costs of outside courses in areas of critical teacher shortages."

Changes to the unified salary structure notwithstanding, the limitations of this system strengthen its critics' calls for the institution of incentive plans. To say that experience is essential to effective teaching is not to say that all experienced teachers are effective teachers or that as experience increases, teachers become concomitantly more effective. Nor does the unified salary schedule directly promote quality teaching and better schools, because salary is not specifically linked to teacher and/or student performance measures.

As Daniel O'Shea, principal of Ben Franklin Elementary School in Grand Forks, ND, wrote in *The Executive Educator,* "[the single salary schedule] has outlived its usefulness and now needs to be amended itself." The reasons, according to Mr. O'Shea, are that the single salary system:

- doesn't allow you to pay your best teachers more, in accordance with their competence and responsiblities;
- doesn't allow you to pay your key senior teachers to take on important supervisory responsibilities in your schools—even though they. . .could raise the quality of teaching. . .by directing and guiding the efforts of other teachers; and
- doesn't allow you to pay higher salaries to attract and hold high-quality teachers in any area—much less in areas of shortage.

With the latest examination of the teaching profession—the "second wave of reform"—has come renewed interest in incentive pay programs and more critical examination of the unified salary schedule. The National Commission on Excellence in Education, for example, recommended nearly four years ago that:

> Salary, promotion, tenure, and retention decisions should be tied to an effective evaluation system

that includes peer review so that superior teachers can be rewarded, average ones encouraged, and poor ones either improved or terminated.

There are a number of advantages to incentive programs. Incentive programs currently in operation show that, when properly designed, they can help school districts attract more qualified new teachers, retain current teachers, and motivate the performance of teachers who are still in the classroom. In addition, incentive pay programs can increase public support for education.

Advantages to Monetary Incentive Programs

Incentive programs that increase teachers' earnings—either through salary increases or through year-end bonuses—help increase teacher satisfaction and thus are a way to retain current teachers. Here are some of the advantages of incentive programs:

• ***Incentive programs frequently emphasize evaluation.*** Some studies have found that regular observation and feedback correlate strongly with teacher satisfaction—regardless of the actual results of the evaluation.

Philip Schlechty, head of the Jefferson County Public Schools/Gheens Professional Development Academy, points out that evaluation is a way for a school district to make its priorities clearly understood. "We can talk about expectations all over the place," he says. "But until people see what you inspect, they don't know what you care about." By requiring regularly scheduled evaluations for all teachers, incentive programs offer a school district one way to demonstrate its commitment to support and reward good teaching.

At the same time, questions over evaluation are probably the most frequent reason that incentive pay programs do not succeed. A later section of this chapter discusses evaluation questions in greater detail.

• ***Incentive programs offer school districts a way to reward outstanding teachers.*** One frequent criticism of uniform salary schedules is that they offer school districts no way to reward good teachers financially, and no financial penalty—other than dismissal—for substandard performance. As a result, critics say, uniform salary schedules implicitly reward mediocrity.

After about five years in the classroom, studies show that there is little relationship between the number of years a person has been teaching and classroom performance. In addition, Cresap, McCormick and Paget have found that there is not necessarily a relationship between additional degrees and classroom performance. Yet the traditional salary schedule rewards only years of service and additional degrees.

At the same time, there is considerable research demonstrating that specific effective teaching behaviors *can* affect student learning. Incentive pay programs are one way for school systems to reward teachers for their *behavior* in the classroom—not simply the length of time they have spent there.

• ***Incentive programs can offer teachers career advancement without leaving the classroom.*** Incentive programs such as career ladders offer another way to encourage talented people to remain in the teaching profession. By offering a clear path for career advancement, increasing levels of responsibility, and increasing levels of salary, such programs can be an effective way to meet the needs of today's employees for personal and professional growth.

• ***Incentive programs are a way to motivate the performance of all teachers.*** Incentive programs are structured with the recognition that in teaching, as in any other occupation, some people perform better than others. Teachers not only recognize this reality, but they are also willing to support salary schedules that acknowledge it as well. A 1983 survey by *The American School Board Journal* found that 62.7 percent of teachers agreed that "teachers should be paid according to how well they perform in the classroom."

A 1986 Metropolitan Life survey of current and former teachers found some support for incentive pay. Of current teachers, 63 percent said they believed that "career ladder programs improve teachers' chances for professional growth and development." By a slim margin (49 percent to 46 percent), teachers surveyed said they favored career ladder programs.

• ***Incentive programs offer one way of building public support for education.*** Incentive pay plans contribute to a public perception that teachers are accountable for their performance. One teacher in a district that instituted an incentive pay program commented, "The people out there who are paying taxes want to make sure that in the area of teacher pay, those who are doing the real work are the ones who get the rewards, above and beyond the standard."

After the state of Utah increased its education appropriation to support a career ladder program, one legislative leader noted, "I'm 99 percent sure that if we didn't put the dollars into career ladders, we wouldn't have that money for schools. We need the reform to justify the expenditures. If you want money in education, you take it in career ladders or you don't take it at all."

Disadvantages to Monetary Incentive Programs

Research has identified several disadvantages to monetary incentive programs. They include the following:

• ***Monetary incentive programs may not work under current teacher salary conditions.*** James Brinks, an expert on compensation and performance measurement, points out that in order for incentive pay programs to successfully motivate changes in behavior, two important preconditions must be met. First, existing salaries should be externally competitive. Second, salaries should be

internally equitable, reflecting the employee's appropriate level of responsibility, years of experience, and performance level.

Today, most local districts' salary policies meet neither of these criteria. Teacher salaries are not yet externally competitive: as illustrated earlier, teachers still do not earn as much as other professionals of similar age and educational background. In addition, teacher salaries do not reflect variations in responsibility, experience and performance. Instead, most salary schedules make no differentiation in teacher performance. And salaries typically reach a plateau after 10 to 15 years of experience.

In the future, it is possible that teacher salaries will meet both preconditions. Teachers' salaries are now increasing dramatically—average teacher salaries in 1985-86 were up 31 percent from 1981-82. Career ladders and other differentiated staffing arrangements are being adopted in districts across the country. As other changes in teacher compensation are made, they may increase the likelihood of successfull incentive programs.

- ***Monetary incentive programs may create dissatisfaction.*** Incentive systems can often lead to disappointment when employees' performance ratings do not correspond with their expectations. A 1985 ERS survey found that 41.1 percent of all teachers rank themselves as "one of the best; in the top 10 percent." This skewed perception is consistent with studies in the private sector. In a 1983 *Psychology Today* article, for example, 85 percent of workers gave themselves higher ratings than their managers gave them. Even in athletic ability—an area in which there are fairly visible standards of performance—60 percent of the respondents said they were in the top quartile.

The most successful incentive programs in private industry are based on an understanding that the most productive employees are those who feel that they are important and are contributing to the overall success of the organization. *In Search of Excellence*, an examination of successful American businesses, noted that IBM sets its sales quotas so that—by working hard—80 percent of the sales force can meet them.

Murnane and Cohen found that the most successful incentive programs operating in schools were those that made everyone feel successful and that distributed awards fairly evenly. Yet this defeats the basic purpose of pay-for-performance plans, which is to provide differential rewards for different teachers.

There is increasing evidence that for some teachers, nonmonetary incentive programs may be more effective in encouraging and rewarding good teaching. The Carnegie Forum, for example, has suggested that increasing teachers' professional responsibilities in such areas as discipline, curriculum, school goals, and their own continuing education is a vital step in retaining good teachers. NGA's research showed that "strategies that make the work environment of teaching more attractive are likely to be much more powerful inducements to the people we want in the classroom." That is why nonmonetary incentive programs may be more effective in motivating some teachers.

Nonmonetary Incentive Programs

Research shows that the rewards that matter most to teachers are the ones that come from students themselves. Anything that gets in the way of those rewards makes teachers unhappy. Eliminating barriers to effective classroom teaching is a way to increase teacher satisfaction.

An ERIC review of what motivates teachers found that a number of nonfinancial incentives also have been found to be effective in motivating teachers. These include reducing class size, administrator and public recognition of outstanding teaching, more interesting responsibilities, and opportunities for professional growth.

In a 1986 ERS survey, teachers identified a number of areas that are most likely to detract from their ability to do the best possible teaching job. Leading the list was too much paperwork, which 50.3 percent of respondents listed as a major problem. Other major concerns, in order, included

- salary level too low (40.1 percent);
- lack of concern/support from students' parents (38.4 percent);
- insufficient time for class preparation (35.3 percent);
- too many students in class (32.9 percent);
- inadequate preparation of students for grade level work (30.3 percent).

Researcher Barak Rosenshine found a simple, no-cost practice that illustrates the potential advantages of nonfinancial incentives for teachers. Simply reducing the number of nonacademic intrusions on class time—eliminating most of the announcements over the public address system, for example—increases teacher satisfaction and improves student behavior. Teachers can offer a number of other suggestions for ways to improve working conditions.

One nonfinancial incentive program, in the Catalina Foothills District in Arizona, is based on Frederick Herzberg's motivation-hygiene theory. Herzberg argues that "motivation" factors are intrinsic to the work content, and include achievement, recognition for achievement, interest in the work, growth, and professional advancement. These motivation factors encourage job performance. External "hygiene" factors, such as salary, working conditions, job security, status, and supervision, can lead to dissatisfaction if these needs are not met. But meeting these needs does not automatically result in high and sustained motivation.

Thomas Sergiovanni, in his research on teacher performance, also has found that while low salary can cause dissatisfaction among teachers, high salaries do not automatically guarantee improved teaching.

Implications of Research on Incentive Programs for Local District Policy

In designing a monetary or nonmonetary incentive program, local decision-makers should:

- Base any incentive program on the district's educational goals, management style, conception of teaching, and community values.
- Carefully evaluate the district's salary structure to make sure salaries are competitive with other similar districts before beginning an incentive program. One Arizona school administrator said, "It's imperative that teachers don't see the incentive program as a way to avoid necessary raises."
- Consider involving teachers in drawing up a list of nonmonetary incentives. Some of these—e.g., providing private office space or reducing class size—will involve budgetary decisions by the school board. But others—such as reducing the number of public announcements—may be possible to implement immediately, at no cost to the school district.
- Consider offering a "menu of awards," both monetary and nonmonetary. Hatry and Greiner suggest that because some teachers are not motivated by financial incentives, a program that offers a choice of monetary and nonmonetary awards is a way of acknowledging these differences among teachers.

Evaluation

Because a successful incentive program hinges on the evaluation process, it is vital that the concerns about evaluation be addressed. Yet this is the area in which there is no real consistency in the literature. There is general agreement on a number of issues. Perhaps most important, the entire evaluation process must be perceived as fair, objective, and comprehensive by all participants. The criteria should be clear to everyone, and standards should be unambiguous.

When designing an evaluation system, it is vital to make the distinction between *formative* and *summative* evaluation, researcher Larry Barber noted in a 1983 *Phi Delta Kappan* article. He set out the following differences between the two. In a *formative* evaluation, the goal is to use evaluation to help teachers improve their performance. *Summative* program evaluations, however, are used to assign a rating of worth or merit to a teacher, a program, or a product.

These two different types of evaluation systems, according to Barber, have very different requirements. Formative evaluations should generally be conducted by people the teacher trusts; in fact, formative evaluations may be most successful if the teacher being evaluated believes that the evaluator has a stake in his or her success. Summative evaluations, however, should be conducted "by an evaluator who has not previously been involved," Barber suggests.

Formative evaluations may be conducted on any criteria accepted by both the teacher and the evaluator. Summative evaluations, however, should be based on clearly identified standards of teaching.

Yet many school districts do not distinguish between the two types of evaluation methods. Successful evaluation programs, Barber suggests, must involve both types of evaluation.

Despite the discussion of terms like "formative" and "summative" evaluation techniques, however, teacher evaluation in most school districts remains basically an unscientific exercise. Yet because concerns over objectivity rank so high, it is important that districts take steps to ensure that their evaluation method is perceived as being objective. Interestingly, according to Hatry and Greiner, the procedures that are most likely to provide suggestions for teacher improvement are least likely to be objective.

Several different evaluation methods are used most frequently in incentive programs. They include:

1. Classroom observations;
2. Measurement of student achievement;
3. Examination of records.

Classroom observations are used most often. In a 1978 survey of teacher evaluation, ERS found that virtually all of the 1,000 districts surveyed used classroom observations as a way of evaluating teacher performance.

Classroom observations can take many different forms. They may be formal or informal, announced or unannounced. Observations may last only a few minutes or an entire class period, and they may be conducted by supervisors, peers, or outside observers.

There are several advantages to classroom observations:

- Supervisors or peer evaluators are generally familiar with the school and the community's goals and values.
- Classroom observations can provide teachers with valuable information they can use to improve their own teaching.
- Regular and consistent evaluation is especially effective with teachers, who place high value on observation and feedback about instructional skills.

Disadvantages to classroom observations include:

- Special training for evaluators is needed so they will all agree on what to look for.
- Performance ratings are not always fair, objective, or consistent. ERIC reported one study in which principals were asked to watch a 15-minute videotape of a teacher, then evaluate her performance. The principals' ratings, based on viewings of the same material, ranged from exceptional to doubtful.
- The presence of an outside evaluator in the classroom may alter both teacher and student behavior.
- Even the most effective methods of assessing teacher behavior may not always be helpful in predicting what teaching strategies are most likely to be effective with a particular group of students. Teachers must adapt their teaching methods to meet the needs of their students. As a result, general rules about teacher behavior may not apply to specific instructional settings. A 1983 review of research on teacher behavior found that even broad patterns of teacher practices do not appear to be uniformly applicable to different grade levels, subject

areas, and types of students. For example, using open-ended class discussion may be very effective for some types of students and ineffective with other students.

All observers agree that single "pop-quiz" evaluations are virtually useless in giving an accurate reading on how well a teacher is performing in the classroom. One report by several education associations concludes that "it is *impossible* to draw confident generalizations from a sample of only one or two hours of performance." Multiple observations are necessary. But multiple observations are also costly.

The Charlotte-Mecklenberg School District began its career ladder program by requiring 20 observations for first-year teachers (conducted by a school-based evaluation team) and two observations by outside consultants hired by the school district. Experienced teachers entering the career ladder were evaluated nine times a year by outside observers. To conduct these evaluations, the district employed 23 observers at a cost of $700,000 per year. To reduce these evaluation costs, the district has lowered the number of evaluations required.

Student achievement data may be used in summative evaluations of teacher performance. In theory, basing teacher pay on student performance is very appealing. There are several advantages to using student achievement data:

- This method is the most objective and valid way to assess the amount of student learning for subjects covered by the tests.
- No subjective decisions by evaluators are required.
- Student achievement data can point out areas of instruction in which teachers need further development.

There are several major disadvantages to using student achievement data, however:

- Learning is affected by many factors other than teacher performance, including ability, past achievement, and home environment. In areas of high mobility, the student population of a class may vary substantially from the beginning of the school year until the end. Unless these other factors are taken into consideration, the results may not adequately reflect teacher performance.
- Standardized achievement tests are too imprecise to serve as valid performance criteria. They do not test enough of what is taught to be fair.
- Teachers are likely to teach to the test, and because test subject matter does not always match the school curriculum, extensive reliance on testing may distort the district's overall curriculum goals.
- Students may intentionally do poorly on tests to penalize teachers they do not like.

At least one district (Houston, Texas) has used student achievement data as part of its incentive program for individual teachers, although the district has since dropped the plan as part of an overall budgetary retrenchment. And at least one school district (St. Louis, Missouri) is being sued by teacher organizations to block implementation of such a plan.

Merit school plans also use student achievement data in awarding incentives to groups of teachers. In most cases, these school districts are developing local tests that are matched to curriculum objectives, to supplement information received from nationally standardized tests.

A number of districts, however, have incorporated formative evaluation procedures into their incentive programs. In some districts, for example, teachers document their own performance, assembling evidence—from videotapes to notebooks to comprehensive research reports—that demonstrate their success in meeting district-wide objectives. In other cases, teachers may determine the evaluation objectives themselves, based on consultation with principals.

In Park City, Utah, for example, teachers may use a variety of lines of evidence—ranging from pupil reports to student gain data to parent surveys to peer reviews of materials—to document their progress toward certain district-wide goals.

These kinds of evaluation measures have several advantages:

- Teachers are more likely to value evaluation based on criteria that they themselves have helped determine.
- These evaluation methods can often give a more complete picture of teacher performance over a period of time.
- Such evaluation procedures do not require significant increases in the number of evaluations by principals, nor do they require hiring additional evaluators.

There are some disadvantages:

- Teachers may perceive that decisions are made on the basis of who develops the best supporting materials, not on who is the best teacher.
- Using multiple evaluation methods requires teacher sophistication.
- Such evaluation methods are not particularly effective in diagnosing problems in teaching or in prescribing improvements.
- The public may not perceive that such evaluation methods are meeting the goal of identifying and rewarding superior teaching.

Problems with evaluation are the main reason that school districts have dropped incentive plans in the past. When ERS surveyed districts that had dropped merit plans between 1978 and 1983, it found that "Evaluation procedures were the 'central problem' experienced with merit pay plans. School districts found that it was difficult to determine which teachers deserved extra pay, it was difficult to gather enough data to support evaluations, it was difficult to avoid subjective evaluations, it was difficult to avoid inconsistency among evaluators, it

was difficult to devise a satisfactory evaluation instrument, and it was difficult to rate teachers impartially."

The experience of Florida's first Master Teacher plan illustrates what can happen if the evaluation methods used in an incentive program are not perceived as objective. *Education Week* reported that when the original results of the first Florida evaluation were announced, there were wide disparities in how teachers in various districts were ranked. Two districts had no candidates in the top quartile; another district had more than 60 percent of its teachers qualify. Florida's Teacher of the Year was not ranked in the upper quartile.

In the ensuing public uproar, the state's teacher organizations challenged the plan in court. Eventually, the state legislature amended the program and permitted greater involvement by local districts.

Thomas A. Shannon, Executive Director of the National School Boards Association, examined one mechanism with potential to enhance teachers' trust in the fair implementation of merit pay: a school merit pay commission. Such a commission—which would include principals and central office administrators—would determine which teachers are meritorious and how much money should go to reward their excellent performance.

The establishment of a teacher merit pay commission, however, should be approached cautiously, warns Mr. Shannon. Careful deliberation and attention to both the legal constraints under which school boards operate, as well as to the philosophical concept of representative government upon which school governance is based, are required. Mr. Shannon delineated four areas of responsibilities which should necessarily and appropriately reside solely with the school board:

- The school board must retain control of the amounts of public money allocated and expended for teacher salaries.
- The school board must retain final authority over the establishment of all regulations governing payroll allocations—that is, the policy that determines the kinds and qualities of job performance to be rewarded and the amounts of the rewards.
- The school board must retain authority to oversee or supervise the local commission, ensuring that it is performing in accordance with the school board regulations governing its operation.
- The school board must retain authority to initiate changes in the policy under which teachers are compensated.

"Once a school board is satisfied that its governance integrity is ensured through its retention of these four governance powers," Mr. Shannon goes on to say it still must address many important subsidiary issues before creating a merit pay commission.

Whatever mechanism school boards adopt to gain teachers' support for teacher incentive programs, the need to develop accurate performance-based evaluations is, according to one researcher, "a reality we must face."

For those concerned with educational improvement, says Phillip Schlecty, evaluation remains a central issue. "In my opinion," he notes, "evaluation, properly understood, is the most powerful device in reform."

Implications of Evaluation for Local District Policy

In determining which method of evaluation to use, district policymakers should:

- Determine the purpose of the evaluation. Formative evaluations that are designed to improve teacher performance, for example, generally require no outside evaluators. Summative evaluations, however, may require outside observers.
- Make a realistic determination of the likely costs—and the benefits—of the evaluation procedure. The cost of training observers/evaluators can be high, but is necessary if the problems of consistency and objectivity are to be addressed.
- Make a realistic assessment of how much time principals can be expected to spend in evaluation. If many evaluations are required, the district must either provide principals with additional support staff, hire additional evaluators, or detail other staff members to conduct evaluations.
- Examine existing policies and contractual agreements with teachers. Make sure any new evaluation program does not violate or contradict other district policies.
- Involve teachers in the design of any new evaluation procedure. Teachers have a different perspective from that of theoreticians; and teachers' knowledge and experience can be a valuable addition to a strong evaluation system. ■

Recently Adopted State Teacher Incentive Programs

As recently as 1983, ERS found that only 4 percent of the nation's school districts were using monetary teacher incentive programs. Since that time, however, the Career Ladder Clearinghouse has found that teacher incentive programs have spread "like wildfire." In December 1986, 29 states were implementing large-scale statewide teacher incentive programs, providing state funds for locally developed incentive programs, pilot testing incentive models, or were planning and developing a teacher incentive program under the direction of the state board of education or the state legislature. And, according to ECS, another 11 states are considering action on teacher incentives.

Tennessee and Utah have used different approaches to implementing their state career ladder programs. In Tennessee, the program is state-funded and state-administered (see the description of the program in the next chapter). In Utah, however, the state government is providing funds for local districts to implement their own career ladder programs.

The Career Ladder Clearinghouse has identified five key trends relating to the development of career ladders and incentive programs in the states.

- *Leadership:* Strong leadership—in school buildings, school districts, and states—will continue to be important to the success of incentive programs. Because these programs are a means, not an end, they require continued involvement, monitoring, and evaluation.
- *Funding:* Incentive programs require substantial commitment from state government. In many cases, states facing financial problems are finding themselves unable to implement incentive programs as quickly as they had originally planned.
- *Teacher Support:* Teacher groups in some states and districts are now actively involved with designing and implementing incentive programs. Even in areas where teacher organizations have officially resisted incentive programs, large numbers of teachers are applying to participate.
- *Evaluation:* The previous chapter discussed the general concerns with evaluation. Many current programs are instituting "rapid and substantial" changes in the evaluation component of their incentive program.
- *Outcomes:* Incentive programs appear to be placing "renewed focus on instruction in the classroom by those outside the classroom, especially school principals."

Leadership

The impetus for many incentive programs has come from governors and state legislatures. As a result, says the Career Ladder Clearinghouse, they are "joining local boards of education" as major decisionmakers about education.

But district commitment to incentive programs is vital to their success. In South Carolina, for example, where several pilot programs are underway, researchers found wide disparity in teacher understanding and satisfaction with the program. These differences reflected local leadership and commitment to the incentive program.

The need for leadership extends to the building level. The Utah State Board of Education found that when school principals actively supported incentive programs, the career ladder program was more likely to be accepted.

The importance of local leadership has led to a trend toward greater autonomy for local school districts, even in statewide programs. For example, in the original 1983 version of the much-criticized Florida Master Teacher Program, local districts had no involvement other than the use of district personnel as evaluators. The new Ray Stewart Career Achievement Program for Teachers will involve evaluation by local supervisors and peer evaluators, using locally determined evaluation instruments.

The Utah legislature established a career ladder program with a $15.2 million appropriation in 1984. Districts that wished to participate in the program were required to submit a local plan to the state board of education. Every district in Utah chose to participate in the program.

A 1980 study conducted by the National Institute of Education supports these moves toward greater local autonomy. The author, R.F. Elmore, says that because school districts are both "loosely coupled and bottom heavy," centralized programs tend either to generate resistance or to acquire conformity at the expense of cooperation and commitment. State efforts to control local school districts through centralized directives tend to divert resources from improvement in programs to enforcing rules.

NGA also recommends that states and local districts should establish a "loose/tight" regulation:

> State and local authorities can deliberate with the educators and then be explicit about expected levels of academic performance. Then they should allow teachers, administrators, and parents to devise ways to meet these levels.

Funding

A second trend identified by the Career Ladder Clearinghouse is that, to date, most of the states and districts that have begun incentive or career ladder programs have not made long-term commitments to fund them.

> Without adequate funding, career ladders cannot become part of the fabric of the schools. Some states seem to be turning toward some type of incentive program rather than a structured career ladder system—probably an indication that incentive programs are viewed as needing less long-range commitment in terms of funding than career ladders.

States with revenue shortfalls are finding it especially difficult to continue funding for incentive programs at originally predicted levels. Kentucky, South Carolina, Louisiana, and Arkansas have all curtailed or delayed implementation of their state plans in the face of state revenue shortfalls.

There are, however, some notable exceptions to this trend. The state of Tennessee has already committed $250 million during its state career ladder program's three years of operation. Utah doubled its state funding of the career ladder program in its second year of operation, to $30 million, and will add an additional $4 million in 1987-88. The California Master Teacher Program received $45 million for the 1986-87 school year, an increase of more than 400 percent since the program began in 1983. And the new Florida program has received $90 million in state funds before it has even gone into operation.

Teacher Support

A third major trend in incentive programs is greater involvement of teacher organizations in their design and implementation.

Incentive programs are generally more popular with school administrators, education policymakers, and the general public than they are with teachers. Teacher organizations are still officially opposed to most incentive programs. An AFT policy statement, for example, notes that the organization "believes that incentive pay or discretionary merit pay is not the best solution to the problem [of recruiting and keeping quality teachers]." At the same time, however, AFT does support "a radical restructuring of teacher compensation systems."

The NEA policy statement is similarly worded:

> NEA is opposed to any compensation plan that bases salaries on favoritism, subjective evaluation, or arbitrary standards in the absence of clearly defined performance criteria. But NEA is willing to discuss career-incentive plans once the salary needs of all teachers have been addressed. Such plans must involve employees in their initial formulation and provide rewards for instructional competence without removing excellent teachers from teaching.

Despite the formal opposition by teacher organizations, the Career Ladder Clearinghouse has noted that many state-sponsored incentive programs "are increasingly. . . trying to involve the local teachers' organizations during the formative stages of establishing incentive programs." This in turn has led to increased teacher support of incentive programs.

There is research-based evidence that increasing teacher participation in planning programs is a critical step in ensuring their eventual success. A *Harvard Educational Review* study of incentive pay programs that lasted for more than five years found that in every case, school boards had worked closely with teachers to design the merit program. As a result, teachers in these districts believed that the program was not one that was thrust upon them, but one they helped create.

The original Florida Master Teacher Program was challenged in court by the Florida Education Association and the Florida Federation of Teachers. The new program has the support of the state's teacher organizations as well as political, business, and education leaders.

State education associations also have officially supported the programs in Texas, South Carolina, and Utah. A 1986 survey of Utah teachers showed that 68 percent of the teachers wanted the career ladder continued. Most of the respondents felt that the locally designed programs had made teaching more attractive, raised morale, and improved instruction and evaluation.

But whether or not teachers' organizations are officially sanctioning incentive programs, many teachers are participating. Even in such states as Tennessee, where the state's education association has officially opposed the career ladder program, more than 40,000 of the state's 48,000 teachers have enrolled in the program. The 1986 Metropolitan Life survey found that teachers who are newest to the profession are most likely to support incentive programs.

Evaluation

In the face of continuing concerns about evaluation, many incentive programs are revising their evaluation plans. Here are some examples cited by the Career Ladder Clearinghouse:

- The Charlotte-Mecklenberg evaluation program was changed to reflect teachers' concerns that both the lesson content and teaching methods be used as a basis for evaluation. Teachers felt the original evaluation instrument focused too much on methods.
- In Tennessee's first year, only evaluators—not teachers and administrators—were allowed to know the criteria on which teachers would be evaluated. Now the evaluation criteria are available to everyone.
- Florida's new career ladder program allows districts to use a locally developed evaluation instrument to judge classroom performance. Districts can elect to use the state-developed instrument if they wish.

There is no one evaluation method that is emerging as the "right answer" to questions about evaluation. Because of the diversity of local school districts, state programs

such as those in Utah and Arizona are encouraging local districts to develop evaluation instruments that meet local needs.

Larry Barber, who studied the question of evaluation for the Education Commission of the States, concluded:

> It seems that, even though it is possible to develop a successful teacher evaluation system, every school system in the country will have to do it in its own way. No one seems to be able to take a successful system developed in one place and apply it intact to another school district.

Outcomes

Most incentive programs currently in operation have been in existence only a few years, so it is not yet possible to assess any long-term results. Nonetheless, these programs do seem to have had some effect.

First, incentive programs are placing renewed emphasis on instruction and are making teachers more aware of the quality of their instruction. One Virginia teacher commented that because of her school district's career ladder program:

> Specific expectations have been made more visible. . . .This probably induced improved teaching effort in many instances; it also added stress and anxiety as well. . . .Griping about the career ladder was, in part, . . .irritation at being scrutinized more closely and being held up to higher, more explicit standards than ever before.

In addition, incentive programs have in many cases led school districts to develop new ways to foster teachers' professional growth and development. The University of North Carolina at Charlotte is working with Charlotte-Mecklenberg teachers in a new Career Development Program. In Kentucky, the Jefferson County schools have established the Jefferson County Public Schools/Gheens Professional Development Academy. The academy links schools and universities to provide both training for new teachers and inservice training for experienced teachers. Phillip Schlechty, the director, says he hopes eventually that the academy will look like "a medical school, with the school site serving as a teaching hospital. . .There would be systematic training and induction as well as research and development."

Implications of State Programs

During the last five years, states have become increasingly involved with educational decision-making. New statewide teacher incentive programs are a continuation of that trend. In dealing with new state initiatives, local district policymakers can:

- Work through state school boards associations and education task forces to become actively involved during the design of the program. Make sure that continuing involvement with local district personnel is built into the state program's design. Dr. Dan Tollett of the Tennessee School Boards Association, says local school board members have participated in Tennessee's Career Ladder program since its inception. As a result, he says, "Our members feel that the program gives local boards all the decision-making authority we need."
- Become familiar with the technical aspects of incentive plans in order to evaluate proposals. Designers of incentive programs might not feel as strongly as architect Frank Lloyd Wright, who once said, "God is in the details." Nonetheless, local district policymakers must give prompt and careful attention to all the details of any proposed plan before it is accepted and implemented. From a policy perspective, it is important that school boards foster teacher incentive programs by acquiring—and displaying—comprehensive knowledge about the plans.
- Consider the long-term financial implications of any monetary incentive program. Some states have not been able to continue funding at anticipated levels.
- Work through the state school boards association with all state planners—appropriations committees, state education departments, perhaps the governor—to design a program that provides incentives for both teachers and local school boards to participate in the program. ■

What School Districts Are Doing

Schools offer a variety of incentive plans. These can be divided into "monetary" incentive programs—in which teachers receive a bonus, a stipend, or a salary increase—and "nonmonetary" incentive programs—in which teachers receive recognition, increased responsibility, opportunities for professional growth, or additional materials for their classrooms. In addition, monetary incentive programs can be further divided into those that offer teachers additional compensation for doing the *same job better*—such as merit pay, incentive bonuses, and payment by results—and programs that provide *extra pay for extra work*—such as programs that compensate teachers for assuming additional responsibilities.

There are six basic types of monetary incentive programs:

1. *Merit pay.* Programs that link teachers' salaries to periodic assessments of their performance. Financial bonuses are awarded to the teachers who receive the highest ratings.
2. *Payment By Results.* Merit pay programs that base individual teacher bonuses on their students' test score gains.
3. *Merit Schools.* Plans that reward *schools*, not individual teachers, for improved performance. In some programs, schools compete against other schools for financial bonuses. In other programs, schools compete against their own past performance or against goals that have been established within the district.
4. *Career Ladders.* Programs that establish both a hierarchy of job classifications for teachers and a differentiated salary schedule. As teachers move up the career ladder, they receive additional pay for additional responsibilities, usually outside the classroom.
5. *Incentive Bonuses.* Some districts have offered special incentives for teachers willing to teach in high-turnover (especially inner-city) schools.
6. *Enhanced professional responsibilities (including Master Teacher Programs).* Programs that provide increased professional opportunities and responsibilities for experienced teachers. These may include serving as "mentors" for beginning teachers, or working on special projects.

In general, the first three represent incentive programs that compensate teachers for doing the same job better. The last three usually involve some sort of compensation for extra work or for taking hard-to-fill jobs.

Nonmonetary incentive programs can be divided into four major categories:

1. *Teacher Recognition Programs.* Programs that provide public recognition of outstanding teachers. Teacher of the Year programs are one well-known example.
2. *Nonmonetary Performance by Objectives (PBO) Plans.* Programs that provide nonmonetary rewards for teachers who achieve objectives that they have developed (usually in cooperation with principals) for the year. Rewards may include purchase of additional classroom equipment or attendance at a professional conference.
3. *Improved Working Conditions.* By improving the physical and social conditions under which teachers work, districts can make teaching more professional and more enjoyable.
4. *Awards, Sabbaticals, and Training.* Some districts reward superior teachers with grants allowing them to pursue special projects. Other programs offer superior teachers sabbaticals or the opportunity to participate in special training programs.

The program—or combination of programs—a local school district adopts depends on the goals it wishes to achieve. Figure 5-1 lists the various types of monetary and nonmonetary incentive programs and indicates which are likely to be most appropriate for attracting, retaining, and motivating teachers.

Each type of incentive program is discussed in the following pages, including a summary of the strengths and weaknesses of each program. In addition, one or more examples of each type of incentive program currently operating is presented.

Monetary Incentive Programs

Merit Pay

Merit pay plans are a direct way to recognize superior teaching. Under most common forms of merit pay, teachers are evaluated according to a performance appraisal system.

Compensation is then determined on the basis of these evaluations. Under some merit pay plans, all teachers judged "outstanding" receive a specific amount of money. Under some other plans, teachers are assigned points, and points are assigned dollar values. Teachers with the greatest number of points receive the largest pay increase.

The key to the success of any merit pay plan is a valid, reliable, objective performance appraisal method, carried out by trained, qualified evaluators. Advantages of merit pay programs include:

- The opportunity to earn a higher salary for outstanding performance may attract better teachers.
- Teachers who receive merit pay may be motivated to continue to work hard.
- Developing an effective performance appraisal method can by itself be a way to support teacher improvement, and provide a basis for dismissing incompetent teachers.
- The plan focuses attention on good teaching. Teachers are rewarded for *better* work, not for more work.

FIGURE 5-1

Purposes of Incentive Programs

Type of Incentive	Attract Quality Teachers	Retain Superior Teachers	Motivate Effort & Improvement
MONETARY INCENTIVES			
Merit pay	•	•	•
Payment by Results	•	•	•
Career Ladders	•	•	•
Recruitment Incentives	•		
Incentive Bonuses	•	•	
Merit Schools	•	•	
Enhanced Responsibilities		•	•
NONMONETARY INCENTIVES			
Teacher Recognition	•	•	•
Performance by Objectives Plans		•	•
Improved Working Conditions	•	•	•
Awards, Sabbaticals, Training	•	•	•

(Adapted from Cresap, McCormick and Paget's *Teacher Incentives: A Tool for Effective Management)*

Disadvantages of merit pay programs include:

- By encouraging competition among teachers, merit pay programs can lead to divisiveness and reduce faculty cooperation. By making cooperation and collaboration one of the professional standards by which good teaching is measured/evaluated, however, this concern can be addressed.
- If a school district sets quotas for the number of awards that may be given, teachers may be discouraged from participating; if no quotas are set, costs may be prohibitive.
- If teachers feel that the ratings are unjust, and evaluators cannot convince them to the contrary, their reactions to the ratings may undermine the education students receive.
- Developing an effective appraisal system is difficult and requires substantial commitments of time.

LADUE, MISSOURI

Ladue, Missouri, has had a merit pay program in operation since 1953. The district, which enrolls approximately 3,100 students, has about 230 teachers. Missouri has no collective bargaining legislation.

Teachers in Ladue are placed on one of three salary schedules, depending on their experience and performance. Salary increases for a given year are based entirely on the results of the annual performance appraisal, although in some years the school district also grants across-the-board salary increases.

In 1986-87, the district offered a starting salary of $19,000, and paid an average salary of $32,505. The top salary in the system was $46,000. The teachers recognized as outstanding "can earn as much as $10,000 in [additional] salary each year," said Dr. Edward Tines, Assistant Superintendent for Personnel.

School principals and assistant principals evaluate all certified personnel on the basis of five criteria:

1. Effectiveness in Teacher/Student Interactions
2. Effectiveness in Relationships with Colleagues
3. Effectiveness in Contacts with Parents, Patrons, and Community
4. Effectiveness in Contributions to the Total School Program
5. Effectiveness in Curriculum Development and Professional Improvement

Each of the five areas, along with specific performance criteria used to assess them, was determined after a two-year study that involved teachers, administrators, and school board members. The emphasis is on the teaching *process*—not outcomes—an approach the district believes is consistent with the best research on the teaching process. In addition, student test scores in the district are already very high. Both the junior high school and the high school have been recognized as outstanding schools by the U.S. Department of Education.

Teachers are assigned points on a scale of 0-9, 0-11, and 0-15 points, depending on their salary schedule. There is no limit to how long a teacher can remain on any salary schedule. Promotion from one schedule to another can occur in any year.

The board receives a list of all the district's teachers, with their recommended point totals. Although the board rarely adjusts an individual teacher's point total, they may suggest that the overall point totals are high and need to be reduced somewhat. Since there are no quotas on performance scores—and no limits to the number and size of awards in any given year— teachers do not have to compete against each other. Once the point list is approved, the board assigns a dollar value, which has ranged from $100 to $500, for each point, depending on the funds available and salaries offered by competitive districts. The total salary increase is determined by multiplying the number of evaluation points by the dollar value of the points.

Typically, each point is worth $300, and the average raise has been about $2,700. In some years, a few teachers have received no points and thus no salary increase. In most years, however, all the district's teachers receive some increase.

The plan is reviewed continuously by the Committee on Evaluation, which meets monthly. Dr. Tines suggested that a willingness to revise the program is one factor in its continuing success. Others include:

- Clear evaluation criteria
- Knowledgeable evaluators
- A substantial financial base. "Merit pay is not a system to save money," Tines observes.

Principals have received extensive training in evaluation, and the district has adopted a variety of measures to ensure consistency among all the district's principals. Each principal's evaluations are reviewed by the superintendent and by other principals; as a result, principals spend considerable time monitoring their teachers' instruction.

The plan was developed with a committee that included teachers, and teachers have been involved in the Committee on Evaluation. For other districts interested in a merit plan, Dr. Tines suggests, "don't try to reproduce exactly this same program in another locale. Instead, aim to meet the particular needs of your own community."

LAKE FOREST, ILLINOIS

Although the Lake Forest school district has had some type of incentive performance plan since the 1860's, the current merit pay program has been in effect since 1974.

The key to the plan is the evaluative process. Principals are responsible for teacher observation, conferencing, and evaluation. They are carefully trained by the district in clinical evaluation.

Teachers are evaluated on the basis of classroom performance, overall contribution to the district, and the achievement of specific goals. Probationary teachers are observed five times per year in their first two years of teaching; tenured teachers are observed a minimum of twice per year.

The school board, based on its five-year plan, determines an average teacher salary that will keep the district competitive with nearby districts. Building principals then allocate a lump sum awarded to their school (based on the total full time equivalent staff for each building multiplied by the average projected salary) to the teachers based on merit. Superintendent Dr. Allen Klingenberg says teachers in Lake Forest "know they are making as much *or more* than teachers in other nearby districts."

Because the district views merit pay as an integral part of operating the schools, the costs of the merit program are not separated out in the budget. Per-pupil spending is $4554 per year.

Keys to the success of the program are communication and the emphasis on regular evaluation. The superintendent, for example, meets with every staff member every year. Changes in the system are made as needed. Both teachers and administrators can suggest changes directly to the superintendent.

"It is harder to run a performance-based pay plan than a 'heartbeat system,'" Dr. Klingenberg observes, "but you get better results."

Payment By Results

In a few districts, teachers' raises are determined by their students' test score gains. Payment-by-results plans are seen by proponents as a way to recognize teachers for outstanding achievement without creating the divisiveness that sometimes results from traditional merit pay programs.

Advantages of payment-by-results plans include:

- Using student achievement data is the most objective way to assess the amount of student learning for the material covered by the tests.
- No subjective evaluation by supervisors or peers is required.
- Teachers are rewarded for teaching; they do not need to complete additional work to receive incentive payments.

Disadvantages of payment by results plans include:

- Selecting the evaluation instrument is critical; most standardized tests do not provide sufficient information to be used effectively to measure teacher performance.
- It is necessary in the evaluation to try to eliminate outside factors that may affect student achievement. The Carnegie Forum, among others, points out that no reliable evaluation method yet exists to eliminate these factors completely. Nonetheless, the program should be as fair as is humanly possible.
- Management can be complex.

SEILING, OKLAHOMA

Seiling is a small town with a population of approximately 1,500. The school district enrolls approximately 500

students. The district's incentive program operated from 1979 until 1986, when a severe revenue shortfall—due to low oil prices—required the district to trim $300,000 from its budget.

The program was designed to meet four objectives:

1) To increase reading scores in both the elementary and secondary levels,
2) To increase student achievement in math in the elementary school,
3) To increase student achievement in various subjects offered in the secondary grades, and
4) To reward teachers whose students exceeded targeted improvement goals.

The plan used both individual and group bonuses.

Students were tested at the beginning of the school year and again at the end of the year on standardized and objective-referenced tests. The Comprehensive Test of Basic Skills was used to determine reading and math scores, and other tests were developed for high school subject areas. "Our objective for the next two years," said Superintendent Gerald Daugherty, "was to develop local, criterion-referenced tests for all subject areas."

The scores were converted to Normal Curve Equivalency (NCE) points, which are averaged for the students in the class. Because evaluators learned that some students penalized teachers they did not like by intentionally scoring poorly on the year-end exam, the district disregarded the lowest 10 percent of scores on the test. School gain was determined by averaging the NCE points of all students in the school.

All participating elementary school teachers received a $500 bonus if the reading scores in their school reached the targeted increase (most recently six points above normally expected gains). Each teacher whose class reading scores reached the targeted increase received a $250 bonus. And each teacher whose class math scores reached the targeted increase received an additional bonus of $250, for a total possible bonus of $1,000.

Secondary school teachers were also eligible for a bonus of $1,000. They received $300 if students in their school reached targeted increases in reading. Teachers received an additional $140 bonus for each of their five classes in which students reached the goals for that subject.

The total cost of the program, including bonuses and testing, was $45,000 per year. In 1985-86, all teachers in the district except one received at least some bonus.

The plan was voluntary, although during the life of the program, only two teachers did not participate. Teachers signed an agreement stating that they recognized the bonus was not a salary increase and would not be carried forward to the next year.

Evaluations of the program were generally positive. Student test scores exceeded expectations, and teacher turnover was low, although the district had no way of measuring whether the incentive system was the reason teachers remained in the district.

"We are not eliminating the program," Daugherty said. "We have told our teachers it is being held in abeyance." Daugherty said he believed the program was important because it made the teachers more goal oriented. "They were very jealous of their class time," he said, noting that the major change he has seen this year is that "teachers are more willing to let students out of class to participate in music practice, athletic practice, or a special assembly. That never happened when the program was in operation."

For other districts considering adopting an incentive program, Daugherty offered the following suggestions:

- Keep the system simple.
- Don't take money away from salaries in order to pay the bonuses.
- Make the system voluntary.
- Make sure teachers are involved in designing the system, at least in an advisory capacity.
- Make merit pay available to any teacher who qualifies.
- Make sure the program is seen as equitable. "We offered coaches, who might have only taught one academic class, the same bonus as English teachers, who taught five academic classes. If we reinstitute the program, we'll probably adjust that."

FARMINGTON, CONNECTICUT

"What is most significant about our program compared with other school systems' incentive pay plans is that we tie incentive awards to student performance," says William H. Streich, superintendent in Farmington, Connecticut. The program, now in its third year, rewards teachers who can show that their students

- are achieving at a higher level,
- are understanding concepts better, and
- can better apply and transfer knowledge and skills.

The district moved to an incentive program as a way of achieving the school board's goals for the system: to upgrade curriculum, provide appropriate programs in computer education, extend classroom learning time, and improve teaching. Negotiated as part of the teacher contract, the Incentive Pay Program offers individual teachers—or groups of teachers—awards of between $1,000 and $3,000.

To be eligible for the program, teachers must (1) have tenure; (2) submit a letter of application to the superintendent by October 1 of each school year; (3) provide letters from their principal indicating superior teaching performance in the previous school year (based on the district's regular evaluation program); (4) present evidence that their proposed project meets the goals of the program; and (5) submit a formal letter of application to the superintendent by May 1.

The projects are evaluated by a committee that includes the superintendent, a school board member, and one administrator from each school. Two committee members review each application and rate it according to a specially developed rating system. The system includes one rating on factors related to student performance, professional growth, and contributions to the curriculum or inservice training. A second rating considers the project's overall

value to the schools. The final ranking is based on the overall impact of the project.

Teachers' performance evaluations, says Streich, are "key factors in determining which teachers deserve incentive pay." The district's evaluation program is based on teacher-developed objectives related to student performance. Most teachers also work on individually designed self-improvement objectives. The district's contract requires teachers who receive incentive pay to have "a clearly superior evaluation" for the year.

In 1985-86, the district spent $48,586 on its incentive program. Of the 37 teachers who submitted final applications for incentive pay, 26 received awards of between $1,000 and $3,000. The programs included these:

- A biology teacher developed a method to teach beginning biology students more than 1,500 new terms—many of them with similar or identical meanings—cognitively rather than by rote memorization.
- A music teacher made available 15- to 20-minute classical music tapes that her fifth and sixth grade students could take home. The tapes effectively extended their learning time.
- Two junior high school teachers began a program of daily homeroom meetings. The program improved students' study skills, reduced minor discipline problems, and encouraged the students to seek help from their homeroom teachers.

The program has been changed to respond to suggestions from teachers and the results of a district evaluation of the program. This year, teachers are able to submit more than one project for an award. Winning programs are not eligible for awards in subsequent years. And teachers are given some indication of their project's potential in October so they don't devote an entire year to working on a program that had no hope of winning an award in the first place.

The program, says Streich, is a "terrific way" to reward teachers. Even more important, he notes, "it's a proven motivator for both students and staff members."

Career Ladders

Career ladders are designed to encourage good teachers to remain in the profession. Career ladders offer a series of advancement possibilities that permit teachers to increase levels of responsibility—and salary—while remaining in the classroom.

Typically, career ladder programs establish some combination of entry (sometimes called apprentice or probationary), career (or regular), and advanced (master or mentor) levels. Teachers typically spend more years on the probationary levels before being awarded tenure. (In some programs, all teachers' certificates are valid only for a specified number of years.) Teachers who enter a district with some teaching experience usually are required to begin at the entry level, although they may be "fast-tracked," spending less time before being awarded career status.

Teachers usually may advance to higher levels only after they have spent a minimum number of years in the district and have met certain other requirements, typically including extensive performance evaluations, additional education, and other demonstrations of accomplishments. As teachers move up the career ladder, they are given additional responsibilities (career level I teachers serve as "mentors" for beginning teachers in Charlotte-Mecklenberg, for example), and additional salary.

Advantages of career ladders include:

- The opportunity to advance to a higher level while remaining in the classroom may encourage superior teachers to remain and may attract strong teacher candidates who believe they have the potential for advancement.
- Because part of the reward is prestige, monetary requirements may be reduced.
- The structure of a career ladder is based on long-term, multi-faceted evaluation.
- Career ladders may be one of the most effective ways of achieving substantial changes in the teaching profession.

Disadvantages of career ladders include:

- A long-term commitment is required. If many teachers advance to upper levels, if additional responsibilities are many, or if rewards are large, the system can be costly.
- Morale may decline among teachers who do not advance.
- The program requires considerable organizational change. Evaluations are required, and may necessitate hiring additional staff as evaluators or freeing administrators from other duties.

STATE OF TENNESSEE

This plan, in effect since 1984, establishes a five-step career ladder: 1) probationary; 2) apprentice; 3) career level I; 4) career level II; and 5) career level III.

First-year teachers are licensed for one year as probationary teachers. During that year, they are carefully evaluated by their local school district, on criteria developed by the state certification commission or approved by the state board of education. "Local school boards have tremendous authority to control who enters the teaching profession in the state of Tennessee," says Dr. Dan Tollett of the Tennessee School Boards Association.

Apprentice licenses are valid for three years, during which time teachers are evaluated frequently by local district administrators, using state-developed criteria. At the end of the three-year apprenticeship, teachers whose performance has been judged satisfactory may be awarded a career level I certificate. Teachers also qualify for tenure at this time.

Career level I certificates are valid for five years. During that time, teachers must be evaluated at least twice, using a state-approved evaluation system. Teachers are evaluated in six "domains"—planning, teaching strategies, evaluation of student progress, classroom management, professional leadership, and basic communication skills.

A complex system of evaluation involves information derived from a variety of sources. Teachers themselves supply information such as lesson plans, course materials, and information on professional activities. Evaluators—both local district and state personnel—present information from pre- and post-observation conferences, as well as data collected during the evaluations. The principal supplies additional information about each teacher in the school, including the leadership role that individual teachers have assumed in the improvement of teaching. Finally, students answer questionnaires relating to teaching strategies, teacher preparation, and classroom management.

In addition, teachers must pass written tests in reading skills, writing skills, and professional skills.

In the fifth year, career level I teachers wishing to advance to career level II must be evaluated by a state evaluation team and show evidence of superior performance. Career level II certificates are also valid for five years.

During the career level II cycle, a three-person evaluation team made up of career level III teachers from other school districts conduct two year-long evaluation cycles. Evaluation is based on the same domains identified in career level I. Based on those evaluations, teachers may renew their career level II certificate or apply for career level III status. If the evaluation does not support continuation at the same or higher levels, the teacher may be assigned to career level I status.

Currently there are 125 evaluators paid by the state of Tennessee. Dr. Connie Smith of the state education department says that the "best available" figure for the cost of the evaluation component of the Career Ladder program is approximately $1,500 per teacher.

The plan is state-financed, state-supported, and state-managed. Currently, about 1,680 of the state's 48,000 teachers have achieved Career Level II status; another 2,342 have reached Career Level III. Approximately 1,400 administrators have qualified for Career Level II or III status as well. The state provides districts a stipend for each Level II or III teacher. Most districts, according to Dr. Smith, have opted to let the stipend "flow through" to the teachers. Some districts, however, have retained a portion of the funds for local administrative costs.

Levels II and III teachers are also eligible to apply for an 11- or 12-month extended contract, with the cost again picked up by the state. These teachers have designed projects in a number of areas:

- working with exceptional students (both gifted and special education) during the summer;
- designing curriculum;
- designing and conducting inservice education for staff.

The program has undergone some revisions since it was first announced, but Smith says "We have not changed the competencies we expect teachers to acquire. We have simply made adjustments in the way we ask teachers to demonstrate those competencies." For example, the teacher portfolio has been eliminated because it was too cumbersome, although teachers still must demonstrate abilities in professional development and leadership.

For other districts considering a career ladder, Smith and Tollett offer the following suggestions:

- Allow plenty of time for development, and make sure teachers are involved. "We were mandated to begin operation in the first year, and so we never had time to work closely with the state teachers' organizations to get them on board," Smith says. "We are still paying for that."
- At the same time, says Tollett, do not confuse "teachers" with "teacher organizations." Teacher participation is important in the development of any incentive program. But if teacher unions are dragging their feet and impeding the progress of the program, it may be necessary to involve teachers as individuals.
- Work to develop "loose/tight" regulation, with the state allowing districts considerable flexibility in carrying out program objectives. "There are certain things that all the district plans have in common," Tollett says, "but they also have been able to adapt the program to their local needs."
- Expect a long-term commitment. The state has committed more than $250 million during the program's first three years of operation. The state evaluation program—"critical in establishing the credibility of the Career Ladder," according to Tollett—is not inexpensive.

CHARLOTTE-MECKLENBERG, NORTH CAROLINA

Planning for the Charlotte-Mecklenberg Career Ladder program, which was implemented in 1984, took four years. The program is based on a commitment to career development of the district's teachers.

There are six levels to the district's career ladder: provisional, career nominee, career candidate, career level I, career level II, and career level III. As teachers move to each higher level on the career ladder, their responsibilities and obligations—as well as their compensation—increase. It is expected that career level I teachers will help new teachers. Career level II teachers may have responsibilities in curriculum development, for example.

New teachers are assigned to an "assessment/advisory" team made up of the building principal, assistant principal, and one mentor teacher. Mentors are released from teaching duties for a half day each month to work with new teachers. The assessment/advisory team is responsible for reviewing the competencies required at the end of the two-year probationary cycle. By using observation and feedback, the teams are responsible for helping new teachers practice behaviors that are linked to student learning.

Most teachers will be awarded tenure by the end of their fourth, fifth, or sixth year. The school district received an exemption from the state's Teacher Tenure Act to delay the awarding of tenure, which typically comes at the end of the third year of teaching in North Carolina.

Teachers develop and carry out action-growth plans, in which they specify teaching competencies they wish to

acquire or improve, then design a program to help them meet their objectives. The University of North Carolina at Charlotte has been actively involved with the district in establishing professional development for teachers.

The plan relies heavily on the use of teacher "observer/evaluators," who are expected to make frequent visits to the classrooms of all teachers in the program. They are responsible for evaluating and rating teachers in five classroom performance areas: management of instructional time, management of student behavior, instructional presentation, monitoring, and feedback.

When the plan was first implemented, first-year teachers were observed as much as once a week. Second-year teachers were observed six times. Career candidates (the third, fourth, fifth, and sixth years of teaching) were observed three times a year. Thereafter, teachers were observed at least four times every three years.

Obviously, the frequency of the evaluations meant that the district has needed to commit substantial resources to evaluation. It was estimated that approximately 30 evaluators would be required when the district's 4,200 teachers were all eligible to participate in the program. As a result of those budgetary realities, the district has curtailed the number of evaluations required for each teacher. In 1986-87, the total budget for teacher career development was $4 million, of which $2.6 million was budgeted for teacher increments.

The district also has made other modifications to the program, says Kay Mitchell, director of teacher career development. A writing sample has been added, the number of required inservice sessions has been reduced, and the amount of paperwork has been curtailed. The district is now in the process of computerizing the paperwork involved with the career ladder. This year, 68 percent of the district's tenured teachers participated in the program.

So far, the program has been judged a success by participants and the school district. A recent survey found that 45 percent of the district's teachers feel that they have "stretched, grown, and learned" because of their participation in the Career Ladder. One "fast-track" career level teacher said, "Now I know what I'm doing right—or wrong—and why."

For other districts considering a career ladder, Mitchell cautions, "The implementation of this plan takes a great amount of administrative and teacher time. And effective communication is a real challenge. Our size makes it very difficult to deliver the same message to everybody—and have everybody receive it accurately."

Incentive Bonuses

Bonuses, one-time awards, are being used to address a variety of school district needs. In some districts, teachers are being offered bonuses for filling vacancies in such specialty areas as math and science, for teaching in schools with high concentrations of minority students, or for improving their attendance. In other districts, bonuses are used instead of salary increases for annual performance awards.

Because bonuses do not affect teachers' base salaries, they can reduce a district's long-term budget requirements. They provide teachers with an ongoing incentive to meet performance goals, because there is no guarantee that a teacher who has received a bonus one year will be awarded a bonus in succeeding years.

Advantages to incentive bonuses include:

- Bonuses may be effective in attracting strong candidates in areas of shortage or especially qualified persons in all areas.
- If used to reward performance, bonuses may encourage superior teachers to remain.
- Motivation to perform well is renewed annually.
- There are no long-term financial considerations; bonus plans can be renewed from year to year.
- Bonuses do not affect retirement costs.

Disadvantages include:

- Bonuses may be less effective than higher salaries in attracting strong candidates, who may be concerned that bonuses will not last beyond the initial year.
- Funds may be more vulnerable to budget cutting than salary funds.
- The cost may be high if bonuses are sufficiently numerous and large to motivate desired behavior.
- If bonuses are offered for a variety of purposes, administration of the program may become complex.
- Teachers may oppose a bonus plan if they feel the wrong goals are rewarded, some teachers have an advantage over others, or decisions are subjective.

HOUSTON, TEXAS "SECOND MILE" PLAN

In 1979, the Houston School district was already suffering from a shortage of qualified teachers, especially in math, science, bilingual and special education. In addition, the district was faced with high teacher turnover and a need to improve instruction. The district developed an incentive program designed to address these needs.

The plan, called the "Second Mile" program because it encourages teachers to "go the second mile," originally offered teachers bonus awards for a variety of reasons:

- teaching at schools with concentrations of educationally disadvantaged students;
- teaching assignments in subjects with critical staff shortages;
- completing additional qualifying education;
- teaching at a school labeled "unique"—one that has special students or a new campus;
- exceeding baseline teacher attendance requirement;
- teaching at a school assessed as having made "outstanding educational progress (OEP)."

Today, because of budget constraints, the plan has been cut back. Incentive bonuses are still awarded for attendance and to attract teachers in areas of short supply.

To be eligible for participation in the plan, teachers must meet seven requirements, including an acceptable

rating on their most recent evaluation. This requirement screens out approximately 5 to 10 percent of all teachers.

A second requirement is that teachers have five or fewer days of absence during the current school year. Finally, teachers must have passed the district's basic skills proficiency test every seven years.

Teachers who meet all these requirements may receive varying bonuses. For example, in 1982, stipends for teachers in high-priority schools were $2,000, while stipends for completing six hours of university coursework were $300.

The program proved successful in meeting a number of objectives. In the first two years, classroom vacancies in subjects with staff shortages decreased from 251 to 21. Teacher attendance increased from 95.6 percent to 96.1 percent, a record high for the district. Average student achievement remains above grade level.

Stipends averaged $700 to $1,100 per teacher. Ronnie Veselka, assistant superintendent for planning, research, and development, suggests that bonuses should be "large enough to be meaningful to teachers if they are going to provide the necessary incentive."

For districts considering an incentive bonus system, Veselka says, "a needs assessment should be conducted to determine the problem areas that must be addressed. Then the program should be designed to meet those objectives."

Merit Schools

One frequent criticism of incentive pay programs is that they create competition among faculty members. There is considerable evidence that many worthwhile educational goals can best be achieved when all professional staff members in a school work together to address them.

Schools have multidimensional goals—in one year, teachers might be working to raise reading levels, to teach students to embrace democratic values, to raise attendance levels, and to improve student discipline. While it would be possible to measure individual teachers' contributions toward meeting some of those goals—such as raising the reading level of students in their class—it would be more difficult to evaluate each teacher's contribution toward schoolwide goals.

Merit schools are an attempt to address these concerns. Both South Carolina and Florida have established statewide merit schools programs.

In Florida, for example, schools that rank in the top 25 percent of their district in such accomplishments as student achievement, attendance, and other academic goals, will be eligible for a $1,500 bonus for all staff members. The funds are available only for districts that successfully develop a plan with their teachers.

Advantages of merit schools include:

- They promote teamwork and collegiality, both factors that teachers identify as important in teacher retention.
- They permit schools to reward behavior—such as improving discipline—that would be difficult to measure for individual teachers.

Disadvantages of merit schools include:

- They may encourage teachers to spend time only with students in "the middle of the curve." In the early 1970s, the Office of Economic Opportunity hired private firms to provide reading instruction, with their compensation based on average test score gains. An evaluation, reported in the *Harvard Educational Review*, found that "In at least one of the sites, teachers concentrated their time on children in the middle of the test score distribution, neglecting those at the top who would advance well on their own...and those at the bottom, whose test scores would not respond to modest additional amounts of teacher time."

BIBB COUNTY, GEORGIA

Bibb County is piloting the "Quality School Performance" plan in three of the district's 44 elementary schools. The program, which is based almost entirely on measuring student achievement, awards incentive bonuses on the basis of schoolwide achievement. Schools that were interested in the program applied for participation; the three schools that were selected reflect the diversity of the county's student body.

Pre-tests (both criterion-referenced and the Iowa Test of Basic Skills) are used to establish baseline data and identify target achievement levels for each student, each class, and each school. (Currently only grades two through six are measured.) If those targets are met, all teachers in the school receive compensation, to a maximum of $1,200 per teacher. Awards are prorated if only some of the grades make statistically significant gains.

Principals and all professional staff in a school benefit from the awards. In 1985-86, the first year of the plan, teachers in one school achieved a $385 bonus and teachers in a second school earned an $800 bonus. The third school, which had two teachers absent for extended periods of time due to illness, did not exceed student expectations and as a result did not receive a bonus award. "But that seems to be providing them with a greater incentive to achieve a bonus this year," says Roger Cowles, the district's director of public relations.

The local business community has played a significant role in developing the program, and has made a three-year commitment to finance the plan. Mr. William Hutchings, then president of the school board, worked closely with the chamber of commerce to build support for the program. Teachers were actively involved in developing the program.

Principals report that the plan has fostered cooperation among the faculty. "If a particular teacher had a problem with her class," said Cowles, "it became the *school's* problem. Teachers met after school to talk about how they could help each other. And that cooperation was contagious—students also pitched in to help other students."

Kindergarten and first grade teachers also helped students in the upper grades, since their own students' test scores were not being measured. Whether this extra effort will come at the expense of these teachers' own students remains to be seen.

Enhanced Professional Responsibilities

Teachers' salaries traditionally have been lower than other professionals because their work year is shorter. Some teachers, especially mothers of younger children, may be willing to trade off the reductions in salary for the opportunity to spend more time with their families. But other teachers have been forced to leave teaching because they could not support their families on nine or ten months' salary.

Some school districts are trying to find ways to increase teachers' responsibilities so they work a longer day, a longer year, or assume greater responsibilities. The state of California, for example, has created a Master Teacher program. As many as five percent of a district's teachers are eligible to receive $4,000 salary increases for serving as "mentors" to younger teachers. Master Teacher responsibilities are similar to those described in Career Ladder programs.

Some districts also provide additional salary for teachers who undertake special projects. Teachers in Weber County, Utah, were given the option of replacing their free seventh period with an additional teaching period, and the opportunity to earn up to $5,600 more per year. Other teachers were allowed to work an 11-month contract, developing curriculum during the summer. Because the number of teachers has been reduced, the school district has been able to hold budgets in line while decreasing class sizes.

ROUND VALLEY, CALIFORNIA

Round Valley has had an incentive program since 1981. Teacher participation is voluntary, but virtually all teachers have chosen to participate.

The plan provides bonuses of up to $2,800 per teacher, based on a 10-point system. Up to 3.5 points are awarded to teachers for initiating or developing new projects. Up to 2.5 points are available for projects that involve teacher cooperation with other teachers to achieve a common objective. The remaining four points are awarded in a "Creative Section," seen by the district as a way to motivate teachers to go beyond what is normally expected of them. The Creative Section of the evaluation also encouraged teachers to provide students with enrichment activities.

All teachers are eligible to earn the maximum bonus; the school board sets aside the maximum award for each teacher. In previous years, virtually every teacher has received some incentive award, and all teachers also receive across-the-board salary increases.

Both the teacher initiative and the teacher cooperation activities are evaluated by a committee of four people: a school principal, a teacher chosen by the teachers' union, and two school board members. Elementary and high schools have different committees, but the board members serve on both committees, providing some comparability of the evaluations. The committee votes to assign the actual point values for each teacher; in the past there has been a high degree of consensus among the members.

In the first year of implementation, the average award was $1,657. In the second year, the average was $1,996. The school board originally provided the impetus for the district to adopt the plan; the superintendent at the time the program was instituted did not support incentive plans. The new superintendent actively supports the incentive program. Teachers also support the program.

Although no formal evaluation has taken place, the plan has encouraged teachers to try new programs. Teachers have worked together to write curricula in health, writing, and physical education. Teachers have organized special extracurricular activities.

The awards are kept confidential. One California school district that had adopted a plan similar to Round Valley's dropped its program because parents insisted on having their children placed only in the classes of the "master teachers" of the district.

Nonmonetary Incentive Programs

Improved Working Conditions

A powerful motivator for some teachers is improved working conditions. Eliminating chronic discipline problems, increasing the amount of time teachers can spend on instruction, or providing more comfortable offices and work spaces for teachers can all serve as incentives to improved teacher performance.

NGA noted the types of improved working conditions that teachers want:

> They think they could improve their performance if they spent more time with colleagues, but few have the opportunity to do so. . . .They say they love to teach and are generally satisfied with their work, but feel it isn't respected.

Cresap, McCormick and Paget list a variety of improvements in working conditions that might be used to attract, motivate, and retain teachers:

- developing a schedule that allows teachers common planning periods and encouraging teachers to work together to develop instructional materials;
- developing an effective program to deal with persistent discipline problems;
- reducing the interruptions in classroom time by limiting announcements, special pull-out programs, and extracurricular activities;
- hiring administrative aides to handle clerical duties;
- improving physical conditions, such as providing high-quality textbooks, instructional materials, and equipment;

- establishing acceptable class sizes;
- providing teachers with offices for use during noninstructional time;
- providing teachers, departments, or schools with discretionary funds that can be used for special projects or activities.

For many teachers, working conditions are at least as important as salary. Many teachers entered the profession understanding that they could not expect to receive high salaries. By improving the conditions of work, school districts can retain and motivate these teachers' performance.

Improvements in working conditions are usually welcomed by teachers' organizations, and they do not require any structural changes in contracts, salary schedules, etc.

Teacher Recognition Programs

Praise and recognition are among the most powerful motivators for changing behavior. And recognition programs do not need to involve large amounts of money, complex negotiations with teacher organizations, or changes to the salary schedule. Many school districts have used teacher recognition programs (such as Teacher of the Year) to reward teachers for outstanding performance and to encourage the best teachers to remain in the classroom.

These incentives can take the form of special awards dinners honoring outstanding teachers, newspaper articles featuring special accomplishments of faculty members, and in some cases even televised "Academy Awards" presentations.

IMPACT II

The Impact II program, which began in 1979 in New York City, has now spread to nearly a dozen school districts across the country. The program identifies and rewards exemplary teaching practices and helps teachers know about projects that may work in their classroom.

Teachers who have developed a successful idea can apply for a small grant, typically $300, to prepare their program for dissemination. They frequently conduct workshops for other teachers interested in trying out the idea in their own classrooms. Some ideas are shown on videos, and all ideas are listed in a catalog.

How can such small grants serve as an incentive for teachers to improve their performance? "The fact is they don't," says Dale Mann, professor and chairperson of the department of educational administration, Teachers College, Columbia University. "Dollar grants are less important than the network of social and professional support that grantees are drawn into; they are less important than the previous availability of tangible things that make a difference in classrooms; and they are less important than the fact that interested teachers are put in touch with other people like themselves who have the ideas, the time, and the support to help."

Teachers who see an idea they like can contact the person who developed it directly. Impact II funds provide small stipends for teachers who want to adapt an idea for their own classroom.

Not all ideas are complex. One winning program was a set of colorcoded cards that showed students which reference books were most appropriate to their grade level.

The New York City program was originally funded by the Exxon Education Foundation, and many local programs receive support from the local business community. A number of Impact II programs, including those in Los Angeles and San Francisco, are supported by local school systems in conjunction with local education foundations.

An evaluation of the New York City program conducted by Columbia University Teachers College faculty members found that the program was successful in identifying and rewarding exemplary teachers. More than three-fourths of the respondents reported the program changed their methods of presentation and their use of innovative teaching ideas. An even higher number—90 percent—found improvements in student discipline and attendance.

The Impact II program also changed other teachers' practices by offering them examples of successful teaching. In fact, says Mann, "grantees believe that the experience of working with other teachers has renewed their dedication to teaching and given them a previously missing sense of merit and self-worth."

OMAHA, NEBRASKA

In one school, every teacher received a singing telegram. In another, teachers were awarded a $20 gift certificate at a nearby restaurant. For the Omaha, Nebraska, metropolitan area, the first Tuesday in March is Teacher Recognition Day—a day when every teacher receives VIP treatment.

Teacher Recognition Day, which began in the Omaha Public Schools five years ago as a way to build teacher morale, now has spread to five surrounding states. This year, the Omaha Teacher Recognition Day began with a breakfast for all teachers in the metropolitan area—more than 600 of whom attended.

The local newspaper also is filled with special recognition for teachers. Citizens in the community are encouraged to write a letter describing how an Omaha-area teacher affected their lives. The best stories are published, but the *World-Herald* newspaper sends the original letters—along with a certificate of appreciation—to every teacher who is nominated.

The school district contributes only the time of a staff member in the public information office. The entire cost of the recognition program is assumed by a coalition that includes parent-teacher organizations, the Nebraska Association of School Boards, the American Association for University Women, and the business community.

The power company, for example, sends out a notice of the special day with electric bills. Grocery bags encourage shoppers to remember teachers on Recognition Day.

Local businesses that participate in the district's active Adopt-a-School program donate special gifts for the teachers in "their" schools.

A special drawing, held during the breakfast, offers a number of teachers a half day off. . .with pay. More than 60 school district supervisory personnel donate a half day of their time as their contribution to the Recognition Day. "The supervisors love it," says Mary O'Gara, assistant director of public information for the Omaha Schools, "because it gets them back into the classroom."

Has the program worked? The best evidence, says O'Gara, may be the evaluation she recently conducted. "Of the more than 100 responses I've received so far," she says, "I haven't seen any negative comments."

Nonmonetary Performance-by-Objectives (PBO) Plans

Some incentive programs are based on the theory that if teachers can be involved in designing their own objectives, and can be rewarded for meeting those objectives, they will increase their effort and improve their performance. These programs, say proponents, can go a long way toward increasing the professionalism of teaching.

At the beginning of the school year (less frequently at the beginning of a semester), teachers and school principals jointly develop a list of performance objectives. These objectives should include specific achievement targets, dates by which the targets will be met, information on how achievement will be assessed, a plan for meeting the goals, and a delineation of responsibilities. During the year, teachers receive periodic feedback on their progress toward meeting the goals. At the end of the evaluation period, teachers and their supervisors meet to determine how well teachers met each objective.

Hatry and Greiner have identified several advantages to PBO programs:

- The program encourages teachers to participate actively in determining how their performance will be assessed. This has been shown to be highly conducive to motivating performance, especially among professionals.
- Evaluations are fairly objective, and are generally perceived as objective because teachers have participated in determining how they will be evaluated.
- PBO programs do not necessarily carry monetary compensation. They may be a way for districts to motivate superior performance without making a substantial budget commitment.
- The program can be individualized to meet the needs of each teacher, each group of students, or each school.

Disadvantages include:

- Differences in target-setting practices among teachers can make it difficult to compare performance of various teachers or different schools.
- The program can require substantial commitments of administrators' and supervisors' time.
- Teachers may need extensive training in goal setting, evaluation, etc.

BROWN DEER, WISCONSIN

Since 1975, teachers in Brown Deer, Wisconsin, have been able to design their own evaluation procedures. Approximately 20 percent of the district's 125 teachers select that option. Another 78 percent choose to be evaluated under a modified checklist; and two percent elect to be evaluated on a traditional checklist of teacher performance. If teachers and principals cannot agree on a specific evaluation approach, the teacher's proposal is submitted to a panel that includes two teachers and one administrator. Whatever evaluation method they select, all teachers are involved with establishing targets (called "growth objectives") for the year. Teachers who are designing their own evaluation approach, for example, may do so in conjunction with a special project, such as developing and testing a new teaching technique. Performance objectives can also address areas of personal growth, such as completing additional education, or specific problems that have been found in previous evaluations. Targets also are designed to include annual school and district goals.

All teachers receive information on how well they are meeting their objectives twice a year. The district expects principals to spend a minimum of four hours per year supervising the professional growth and development of each teacher. Performance objectives can be—and frequently are—modified during the year if both the teacher and the principal agree to the change.

Teachers who successfully meet their performance objectives are not necessarily entitled to a raise. A local committee does sponsor "excellence in teaching" awards, and principals have frequently used evaluation data in recommending teachers for these awards.

The program has not been formally evaluated, but it has been modified in recent years in cooperation with the local teachers' association. By giving teachers the opportunity to think about and create their own "growth objectives," the system recognizes that teachers are individuals, thereby boosting morale. School administrators say that they have found that nonmonetary recognition—the knowledge that others know and care about a teacher's performance in the classroom—is the greatest incentive to continued strong performance.

Awards, Sabbaticals, and Career Enrichment

Today, some school districts are offering teachers opportunities for professional growth, personal renewal, or participation in special training opportunities. This practice reflects a growing trend in the economy—even McDonald's offers its long-time employees the opportunity for a periodic sabbatical.

Career enrichment programs often are used to recognize an employee for outstanding performance. They serve as incentives for other employees. And finally, they enable

employees to perform more effectively after they have gone through the training.

One of the most successful programs is operating in the Catalina Foothills School District in Tucson, Arizona.

CATALINA FOOTHILLS, ARIZONA

Since 1981, teachers in the Catalina Foothills district have been eligible for an awards program that is based on Frederick Herzberg's motivation-hygiene theory. The Program for Excellence operates under the premise that teachers are more highly motivated by factors that relate directly to their job performance than they are by such "hygiene factors" as working conditions, status, salary, and security.

Teachers are evaluated by their principals, primarily on the basis of their classroom performance. Ratings are made in five categories: assessing student needs, planning and implementing instruction, student-teacher relationships, evaluating the instructional program, and professionalism. In each category, teachers are rated "exceeds standards," "meets standards," "needs to improve," or "unacceptable." Teachers must receive ratings of "exceeds standards" in three of the five categories, including student-teacher relationships and planning and implementing instruction, to be eligible for the program. Other contributions, such as service on school committees or community projects, can play a minor role in selecting which teachers are eligible to participate.

Teachers who are recommended to participate in the Program for Excellence meet with their principals to determine an award that the teacher values highly and that will continue to motivate good teaching. Awards, which have varied in value from $80 to $1,000, have included a microcomputer for the classroom, attending a teachers' conference, a camera, and tuition for a special graduate class. Several of the teachers who have elected to attend workshops have returned home to conduct inservice courses for other district teachers, sharing what they learned.

Teachers receiving awards are notified at the end of the school year, and the award money is allocated at the beginning of the fiscal year (July 1). The district sets aside a specific sum each year to be used for Program for Excellence awards.

The plan has resulted in no special administrative costs, since principals had been evaluating teachers regularly before the program began. The teacher evaluation instrument had been developed before the plan was put into effect.

ARLINGTON COUNTY, VIRGINIA

When the Arlington County, Virginia, School District first began examining the question of incentive pay, district policymakers initially investigated both merit pay and career ladder programs. But after the costs of such a program were presented to a wide array of community groups, the district decided that administrative costs were prohibitive.

Nonetheless, the community consensus seemed to be that the district should seek ways to improve teacher morale, enhance teachers' professional status, and recognize outstanding performance. Arlington's program combines a variety of teacher incentives, developed from community recommendations.

Incentive opportunities in Arlington include: sabbatical leave, special project grants, tuition for recertification, pay for summer curriculum development, stipends for "contact" teachers, mentoring positions, paid attendance at inservice presentations, pay for training other teachers in the district, opportunities to attend professional meetings, and department chair positions.

Some of the incentives are available to all teachers—tuition is reimbursed on request for coursework that fulfills recertification requirements; all teachers who attend inservice meetings are paid an hourly rate. Other incentive awards require formal application and are awarded on the basis of merit. Applicants for teacher mentoring positions, for example, submit an application and a videotaped sample of their teaching. Proposals for special project funding are reviewed by a panel of teachers and administrators.

There are, says Gail Nuckols, member of the Arlington County school board, several advantages to this approach. "Available funds are spent directly on teachers. And since administrative costs are minimal, more money can be spent on the incentives themselves."

The program has developed incentives to meet district goals. The mentors program was designed to support new teachers, for example, and paid stipends for inservice to encourage teachers to attend. The program can easily be expanded or reduced based on availability of funds or a change in the district's needs.

The Arlington incentive program has the enthusiastic support of teachers. Marjorie McCreery, executive director of the Arlington Education Association, notes that teachers are particularly pleased with the availability of sabbaticals, increased funds for scholarships, and the opportunities to attend professional conferences during which substitute teachers are provided by the district. "Money goes directly to the professionals you want to encourage," she says. "It isn't gobbled up with administrative costs." ■

Implications For Local School Board Policy

Despite the significant number of advantages to incentive programs, the past 80 years have shown that most attempts to implement incentive pay programs have been abandoned—typically within five years of when they were instituted. Nonetheless, incentive programs hold the promise of meeting a variety of important objectives designed to improve instruction now—and in the future.

For school districts considering implementing an incentive program, there are a number of significant considerations.

First, there is general agreement that salaries must be competitive for an incentive program to be effective. Research in the private sector, supplemented with the experience of districts that have managed successful incentive programs, has shown that if teachers perceive the incentive program as a substitute for an adequate salary, it will not foster retention or improved performance.

Second, it is difficult, if not impossible, to institute a successful incentive program without substantial planning and examination of many aspects of school district operations. The Charlotte-Mecklenberg schools, for example, spent four years planning their program.

Some programs have not taken the time to plan extensively. The Texas career ladder, for example, was in place "two months after the ink dried on the bill," said Richard Swain, assistant commissioner for professional development with the Texas Education Agency. In general, however, time spent in planning will reduce the number of revisions the plan needs once it is put into effect.

Third, incentive programs can be a significant way for school districts to improve the image of teachers—and, as a result, of the public schools that employ them. Because public support is so vital to the mission of the public schools, a central role of school boards should be to support and recognize outstanding teachers.

Many factors have contributed to negative perceptions of teachers voiced by the general public. The additional scrutiny that accompanies incentive programs has no doubt contributed to teacher organizations' somewhat defensive posture in response to these programs. However, properly designed incentive programs—and the strong evaluation process they necessarily incorporate—can be a tremendous tool for image improvement. These programs can give validity to teacher recognition and higher compensation.

Other considerations to be made by a school board in developing a successful teacher incentives plan include:

- Examining ways to use fringe benefits as an incentive. Districts may need to individualize teacher incentives, as teachers have learned to individualize instruction.
- Examining the district's educational goals, management style, conception of teaching, and community values. Adopt a teacher incentive plan that is compatible with your district.
- Looking at the areas of improvement needed in your district. Put elements in the incentive plan that will direct and encourage the desired improvement. Houston's program, for example, has helped reduce teacher shortages in certain subjects, has increased teacher attendance, and has reduced turnover in schools serving high minority populations.
- Looking at collective bargaining rules in your state to see what limits exist on the district's ability to revise teacher pay and processes. Florida's merit schools program, for example, has been designed to encourage districts and teacher organizations to bargain on subjects related to educational improvement.
- Looking at state laws regarding tenure and related teacher compensation. In many states, an individual teacher's salary cannot be reduced without administrative hearings. In such cases, individuals are often "frozen" at a step on the salary schedule, receiving no additional salary increases. Bonus plans may be one way to reduce these concerns.
- Examining district policies that may have peripheral or direct impact on a teacher incentive plan. Make sure the plan adopted does not contradict such policies as your personnel policies.
- Looking at all the costs of the plan. Take into account the costs of the evaluation plan as well as the incentives themselves. Consider the underlying cost of time that has been spent on other activities, if district personnel are to be reassigned to evaluation. Will special resources be needed to implement the plan? Will evaluators need additional training? Will additional staff be required to replace teachers given sabbaticals as incentives?
- Determining whether funding will be available on a long-term basis. Districts that are not prepared to make long-term commitments should, for example, consider bonus programs (which are effective for only one year) rather than career ladders (which carry implications of long-term salary increases).
- Defining appropriate roles for teachers in the incentive plan. As previous chapters have shown, incentive programs that involve teachers in design and implementation are more likely to be successful than those that do not.
- Responding to the evaluation information obtained from the incentive program. What action will be required for teachers who do not "make the grade"? What resources will be needed to upgrade teacher performance under the plan? It is essential to have baseline data relative to the plan's objectives. The

most successful plans have been revised nearly every year in response to information received from evaluations. These ongoing evaluations not only will strengthen the incentive program—they are likely to have a substantial impact on improving instruction as well.

Conclusion

After extensively studying the issue of incentive pay plans for teachers, the House of Representatives Committee on Education and Labor concluded:

> Those who view merit pay as some fast, inexpensive, painless method of solving the nation's education problems are not realistic. Merit pay is...neither inexpensive...nor easy to achieve. In some school districts, performance-based pay will result in an improved educational product, and an ability to attract and keep high-quality teachers; in other districts, for a variety of reasons, it may not work. The question the nation must face is not simply how to implement performance-based pay for educators but how we can lift the standards of instruction in the nation. ■

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About NSBA

The National School Boards Association is located in Alexandria, Virginia, within the Washington, D.C., metropolitan area. NSBA is a not-for-profit organization whose primary mission is the general advancement of public education through the unique North American system of representative and participatory government, whereby elementary and secondary school policy is decided by local school board members who are directly accountable to the community. Over 95% are elected, and the remainder are appointed by elected officials.

Federation Members of NSBA are the 49 state associations of local school boards, the Hawaii State Board of Education, and the boards of education in the District of Columbia and the U.S. Virgin Islands.

NSBA promotes the quality of public elementary and secondary schools through services to its Federation Members and local school boards; by increasing school board impact on federal education laws and regulations; and by maintaining liaison with other education organizations and governmental authorities.

In so doing, NSBA represents the interests of school boards before Congress, federal agencies and in court cases relating to education; provides education and training programs for school board members; provides school district management services; and offers to school boards a variety of other services including an annual convention and the Institute for the Transfer of Technology to Education (ITTE).

The NSBA Federal Relations Network, composed of up to three school board members in each Congressional district, plays a major role in NSBA's education advocacy program in Washington, D.C.

Three major publications are produced by NSBA: the award-winning monthly magazine, *The American School Board Journal;* the monthly magazine, *The Executive Educator,* and a fortnightly newspaper, *School Board News.*

Seven constituent groups within the Federation play a significant role in NSBA's efforts to serve Federation Member and school board needs:

- The Council of Urban Boards of Education focuses on the unique needs of urban school boards.
- The Large District Forum serves the special needs of large but non-urban school districts.
- The Rural District Forum serves rural and small enrollment districts.
- The Federation Member Executive Directors' NSBA Liaison Committee links the top executives within the Federation.
- The Council of School Attorneys focuses on issues of school law.
- The Conference of School Boards Association Communicators serves NSBA and Federation Member communications professionals.
- The Forum of Federal Policy Coordinators focuses on the administration of federally funded programs.

NSBA maintains close liaison with other groups, such as the National Caucus of Black School Board Members, National Caucus of Hispanic School Board Members, National Caucus of Young School Board Members, National Association of State Boards of Education, American Association of School Administrators, Forum of Education Organization Leaders (FEOL), Education Leaders Consortium (ELC), National Governors' Association, National Conference of State Legislatures, and Education Commission of the States.

Founded in 1940, NSBA represents the nation's 97,000 school board members who, in turn, represent the more than 40 million public school children in the U.S., which account for about 90% of all elementary and secondary school students in the nation. About 1,900 local school boards are NSBA Direct Affiliates.

NSBA policy is determined by a 150-member Delegate Assembly composed of active school board members across the country. Translating this policy into action programs is a Board of Directors consisting of 21 members and three *ex-officio* members. The executive director administers NSBA programs, assisted by a professional staff.

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